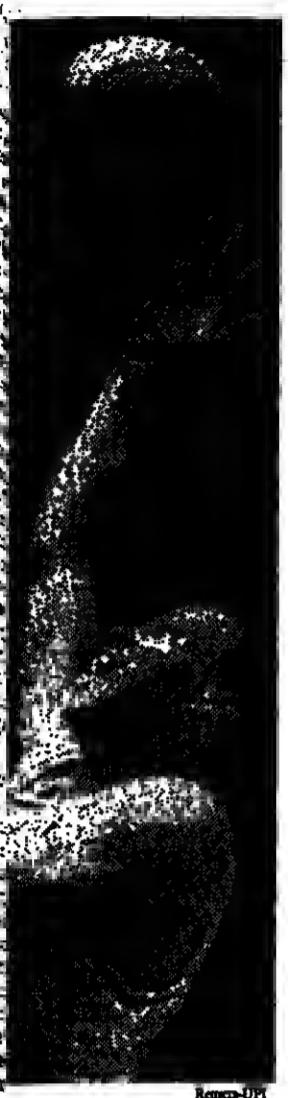


Lakers Win  
NBA Title



Byron Scott, who scored 11 points during a 23-7 run in the third quarter as the Los Angeles Lakers beat the Detroit Pistons, 108-105, to win a second straight championship of the NBA. Sports, Page 19.

TODAY'S  
INTERNATIONAL  
MESSAGE

Kiosk

Johannesburg  
Bomb Hurts 10

JOHANNESBURG (Reuters) — A bomb exploded in an amusement arcade on Wednesday and wounded 10 people, including a pregnant woman and her 2-year-old daughter, officials said.

A police spokesman said four people were seriously injured. No organization claimed responsibility.

W. German Store Hours  
BONN (Reuters) — The cabinet on Wednesday approved a measure that would allow West German shoppers, long hampered by restrictive store opening hours, to shop one evening a week.

General News

A U.S. senator says the Pentagon underreported its spending on consultants. Page 3.

African nations are fighting a tide of toxic waste. Page 7.

The Waldheim controversy is fading away in Vienna. Page 2.

Science  
A U.S. scientist struggles to convince others that his theory of how drugs act should be tested on humans. Page 10.

Business/Finance  
Robert Maxwell is seeking to form a communications company with Societe Generale of Belgium. Page 11.

Volkswagen is buying 20 percent of Rberts from Ford Motor for \$100 million. Page 11.

Up 43.03  
The Dollar in New York  
DM 1.7781  
Pound 1.7656  
Yen 128.926  
FF 5.0033

WHY PAY MORE?

Latvian Writers Publish  
Call for Sovereignty

By Bill Keller  
New York Times Service

MOSCOW — In one of the boldest nationalist appeals ever issued an official Soviet group, unions representing writers and other cultural figures in the republic of Latvia have called on Moscow to make what they called "a sovereign state" within the Soviet Union.

In a defiant proclamation published in Latvian newspapers that ched Moscow this week, the cultural leaders demanded that Latvia allowed to have separate representation at the United Nations and the Olympic Games and to use its own press and foreign procedures. They also called for closer ties with Latvians abroad and for greater control over literary and secret police activities.

Complaining that Latvians were

Syria May Buy China Missile

Possible Weapon Sale Stirs Concern in U.S. and Israel

By Michael R. Gordon  
New York Times Service

WASHINGTON — Syrian and Chinese officials have been discussing the possible sale of a new shorter-range Chinese missile to Syria, according to Israeli and U.S. officials.

The missile, known as the M-9, is still under development and may have been tested over the weekend, according to U.S. intelligence reports. The weapon has an estimated range of about 600 kilometers (375 miles), a specialist said.

Israeli military officials have said that the sale of the missile would present a serious threat to Israel, as it could be armed with chemical weapons. A State Department spokesman said Tuesday that the

United States would view the sale of the missile with "deep concern."

But Israeli and U.S. officials also stressed that a sale did not appear imminent.

"The deal between China and Syria is only at the negotiating stage," Foreign Minister Shimon Peres told the Foreign Affairs and Defense Committee of the Knesset, Israel's parliament. He added that the new missile under development "are not yet ready."

"There have been preliminary discussions between Syria and China," a U.S. official said. "There also have been discussions between Iran and China, but with no conclusion that we know of."

Chinese arms sales to the Middle

East would view the sale of the missile with "deep concern."

China has sold more than \$5 billion worth of arms to developing nations, according to a report by the U.S. Congressional Research Service. Half of those weapons went to Iraq and nearly a third went to Iran.

American officials have been particularly disturbed by China's sale of Silkworm anti-ship missiles to Iran, which have been used by Iran to threaten shipping in the Gulf.

In addition, U.S. officials were disconcerted at China's recent decision to sell old, medium-range, CSS-2 ballistic missiles to Saudi Arabia. That deal undercut Western efforts to limit the spread of ballistic missiles.

Arafat Aide's Plan Splits PLO

By Ihsan A. Hizazi  
New York Times Service

BEIRUT — A dispute is broken out within Palestinian guerrilla organizations over proposals put forward by a close aide to Yasser Arafat for negotiations with Israel.

Five guerrilla factions, one of which is represented in the leadership of the Palestine Liberation Organization, have issued statements condemning the aide, Bassam Abu Sharif, for calling for negotiations with Israel and a referendum in the Israeli-occupied territories to determine who will speak for Palestinians at the talks.

The five factions criticizing him

are the Popular Front for the Liberation of Palestine, which is represented in the PLO leadership; el-Fatah Uprising, a Syrian-based group led by Abu Musa who broke with Mr. Arafat five years ago; the Popular Struggle Front; the Popular Front for the Liberation of Palestine-General Command, and Partisans of the Islamic Revolution in Palestine, a fundamentalist group. Their views were presented Monday in the newspaper *As Safir*.

Written in English and entitled "PLO Views: Prospects of a Palestinian-Israeli Settlement," the Abu Sharif statement was circulated at the Arab summit conference in Al-

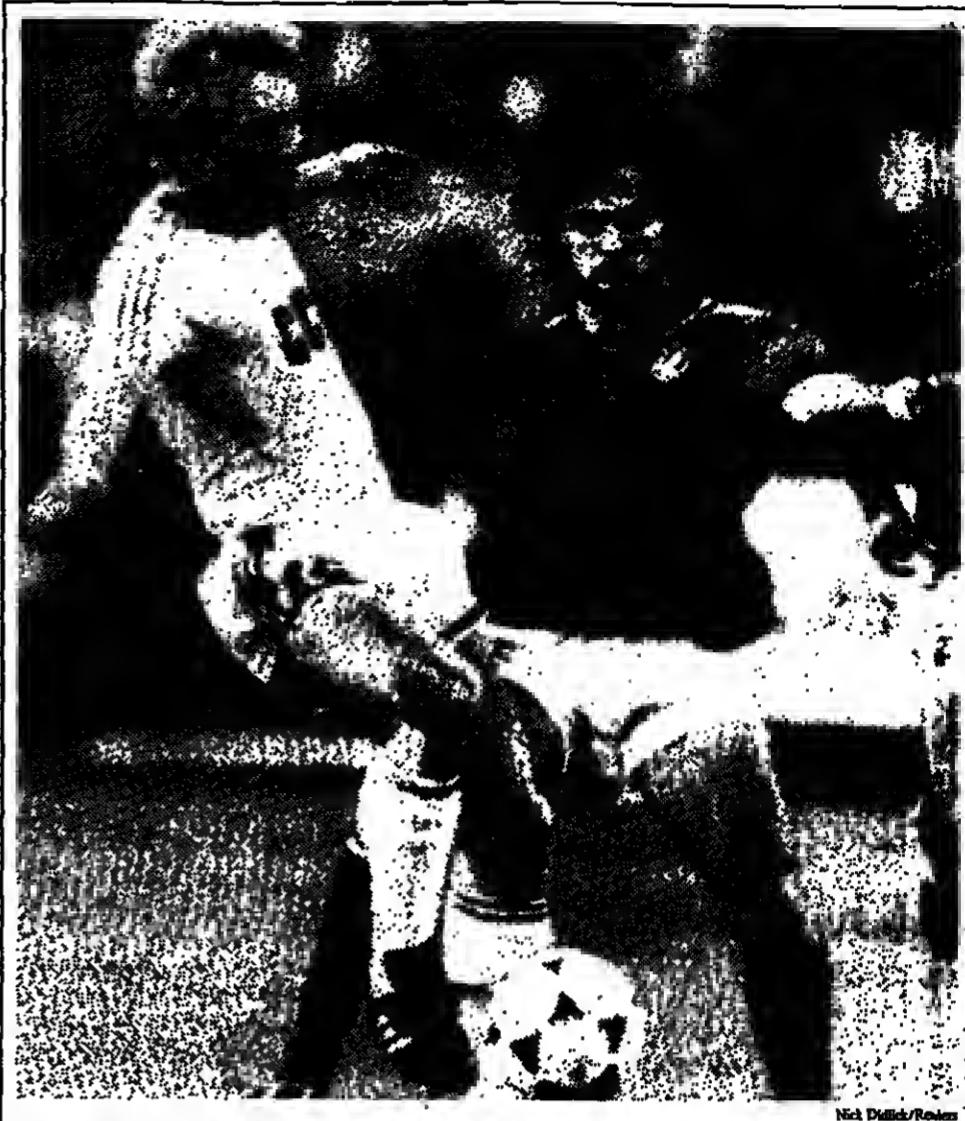
geria this month. A copy also was forwarded to the State Department in Washington.

The statement was signed by Mr. Abu Sharif, but As Safir quoted him as saying in an interview that the document had been drawn up with the knowledge and approval of Mr. Arafat, the PLO chairman.

In the statement, Mr. Abu Sharif maintains that the time has come to invest the gains of the uprising in the occupied territories in a political settlement of the Palestinian problem.

"The Palestinians would be making a big mistake if they thought

See PLO, Page 6



SOVIETS IN FINAL — Alexei Mikhailichenko and Giuseppe Giannini of Italy duel in the European Championship semifinal Wednesday night. The Soviet Union won, 2-0. Page 19.

Bush Urges His Party to Ignore Polls

By David Hoffman  
Washington Post Service

WASHINGTON — Vice President George Bush is urging Senate Republicans not to worry about polls showing him seriously trailing the designated Democratic presidential nominee, Governor Michael S. Dukakis of Massachusetts, because "we do not yet have all the issues in focus."

Mr. Bush, speaking after a meeting with Republicans who pledged to speak for him in the fall campaign, said: "I read the polls. They don't bother me a bit."

At the meeting, several leading Republicans pledged to carry the burden of the attack against Mr. Dukakis, a strategy designed to prevent a backlash against Mr. Bush himself.

The latest Washington Post-ABC News poll showed Mr. Dukakis leading Mr. Bush by 51 to 39 percent. For more than a month, Mr. Bush has shrugged off similar reports by saying that his differences with Mr. Dukakis had not been presented to voters.

Mr. Bush launched his first major attack against Mr. Dukakis in a speech June 9 in Houston.

After the meeting Tuesday, the senators said they were eager to join the effort. "We're ready to go," said Senator Alan K. Simpson, a Wyoming Republican. "We're like a bunch of trout ready to jump out of the water. We handed him a letter to say, 'Hey pal, we're ready to hit the road. We're ready for some fun. Let's get out there and show them who Michael Dukakis is.'"

The appeals from the senators seemed to echo those made to Mr. Bush more than two months ago. Since then, many Republicans have been critical of Mr. Bush for what they have described as drift in his campaign.

When Mr. Bush visited the Capitol on April 15, the Senate Republican leader, Bob Dole of Kansas, said: "We're ready to go to work."

Mr. Dole said of the closed meeting with Mr. Bush, "I think what we wanted to do was a positive signal to our candidate that he can call on us."

Drought Reaps Big Crop Loss in U.S. Great Plains

By Keith Schneider  
New York Times Service

JAMESTOWN, North Dakota

— At least half the wheat, barley and oat crops in the northern Great Plains have been lost as heat and drought gain a tighter grip on the nation's farmland.

According to a survey of industry experts and state agricultural economists in the Dakotas, Minnesota, and Montana, the region's losses already total 650 million bushels (22.8 billion liters). This is

about a fifth of the 3 billion bushels of those crops that the Agriculture Department expected to be harvested across the nation this spring and fall.

And the losses could be much more severe, agricultural authorities say, if there is no substantial rainfall in the next week to 10 days.

The drought also has begun to cause deterioration of the nation's corn, soybean and vegetable crops, particularly in the Middle, West and the South.

Temperatures were topping records over a wide area of the United States on Wednesday for the fourth straight day, according to news agency dispatches. On Tuesday, temperatures of 100 degrees Fahrenheit (37.8 centigrade) or above were recorded in 23 states.

The heat and lack of rain also continued to lower water levels on rivers. Traffic was impeded on parts of the Mississippi and Ohio Rivers, as barges, rail, ground or water were slowed in bottlenecks.

Thus what began in January as one of the most promising years of the decade for American agriculture has instead become one more cruel ordeal for thousands of farmers, whose pain is likely to be shared by millions of other Americans.

Fields that should be lush with grain are frayed and withered, soil that is normally black with moisture is pale and baked with a thin hard crust. In many fields, crops never germinated.

More than half of North Dakota's wheat crop has been destroyed; at 300 million bushels, it is second to 1,000 million bushels, the hard crust, in many fields, crops never germinated.

"Our losses are above 60 percent, and they could already be 70 percent," said Arden Lehman, an agricultural economist at North Dakota State University in Fargo. "The sun is just cooking these crops."

Farmers throughout the country have asked Congress for help. On Monday, Senator Quentin N. Burdick, a North Dakota Democrat, introduced a proposal that would pay grain farmers whose crops were destroyed by inflation. (Page 11) U.S. bond prices rose by as much as 1/4 points, or \$1.75, for each \$1 billion face amount.

"There's a new perception that bond instruments are the place to be," said Michael Metz, a market strategist with Oppenheimer & Co.

The dollar got an early boost on news that West Germany's finance minister, Gerhard Stoltenberg, had said that the recent rise in the dollar was not a cause for concern. He was commenting after the Group of Seven major industrial democracies had finished its summit meeting in Toronto on Tuesday by calling for a generally stable dollar.

Mr. Stoltenberg's view was endorsed.

See DRY, Page 6

See MARKETS, Page 17

The Toronto Summit:  
Better Than Its Billing

By Reginald Dale  
International Herald Tribune

AMERICA, WESTERN EUROPE AND ASIA

Second, it showed the growing determination of the blocs leaders to take a longer-term view of the world's problems.

Summing up his impressions of the eighth and final economic summit meeting, President Ronald

REAGAN

Reagan said "the progress achieved may not become fully evident for many months, but it was substantial."

His assessment reflected the widely held view that summit meetings should increasingly seek to initiate policies that need several years to reach fruition, rather than concentrate on short-term management of the world economy.

In Toronto, it was time for taking stock. This week's summit meeting marked not only the end of the Reagan era, but also the conclusion of the first two summit meetings "cycles" in which the annual gatherings have now been held twice in each of the seven member nations — the United States, Japan, West Germany, France, Britain, Italy and Canada.

Looking back over the two cycles, Margaret Thatcher, the British prime minister, concluded that the main development had been a welcome change from short-term decision-making to long-term planning.

But for many others the main lesson of Toronto was its demonstration of the new economic and political weight of Japan and Western Europe as the relative power of the United States declines.

"It is not that the U.S. is necessarily getting weaker," said a conference official. "It's that the others are getting stronger."

An American observer said, "We are moving from U.S. hegemony to shared responsibility."

Nobody attending the meeting could fail to have been struck by the increasingly determined leadership role sought by Japan.

"Japan has made it clear that it is not just here in its own right," a conference official said.

See SUMMIT, Page 6

A \$52 Million House, Complete With Lion's Run

By Michael Winerip  
New York Times Service

HUNTINGTON, New York — His

many years in real estate have taught Eliot Jordan that it would be a mistake to use the hard sell when showing a 170-room, \$52 million house.

"Low-key, very low-key, always low-key," said Mr. Jordan, who works for L.B. Kaye Associates. "This is not an impulse item."

Since getting the listing last fall for the former Otto Kahn estate, the estate deteriorated after Otto Kahn's death and was sold in 1948 to a military academy.

By 1978, rats, vermin and code violations were so prevalent that the town shut the academy.

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## Furor Over Waldheim Record Now Fading Away in Vienna

By Robert McCartney

Washington Post Service

VIENNA — The once-oocis controversy over President Kurt Waldheim's war record has quieted in the past three months and Austrians have resigned themselves to pay a lingering price in diplomatic snubs to Mr. Waldheim and in damage that he causes to the nation's image abroad.

The visit to Austria by Pope John Paul II that starts Thursday is likely to revive interest briefly in the debate over Mr. Waldheim's role while serving with a German Army unit that committed atrocities in the Balkans during World War II.

Given Mr. Waldheim's repeated refusals to resign, and Chancellor Franz Vranitzky's inability to muster enough political support to force out the president, it is widely assumed that Mr. Waldheim will serve the remaining four years of his six-year term in the largely ceremonial office.

"We are obliged to tolerate him, because there is nothing else we can do," said a senior figure in Mr. Vranitzky's Socialist Party, which is critical of Mr. Waldheim.

### Resignation of Rocard Accepted by Mitterrand

Reuters

PARIS — President François Mitterrand formally accepted Wednesday the resignation of Prime Minister Michel Rocard's Socialist government.

The resignation paved the way for a reshuffle expected next week. Mr. Mitterrand has said he will keep Mr. Rocard as prime minister. The resignation is linked to the opening of the new National Assembly on Thursday. Having resigned, Socialist ministers may now vote in the election of a president.

But interest is expected to die down quickly after the pope finishes his five-day pastoral visit, according to government officials, politicians, diplomats and other observers. They said that the Waldheim issue has virtually dropped from view since the emotion-filled, 50th anniversary in March of Hitler's annexation of Austria.

Mr. Waldheim will greet the pope on his arrival Thursday, and will meet with him privately later in the day.

Israel and international Jewish organizations condemned the pope a year ago when he received Mr. Waldheim at the Vatican. John Paul is the only Western leader to have met with Mr. Waldheim since he became president in July 1986.

The pope, while lending Mr. Waldheim some respectability by meeting him, reportedly has sought to avoid giving Mr. Waldheim too high a profile during the pastoral visit.

The foreign ministers of Italy, Switzerland and Yugoslavia — all neighbors of Austria — have arranged to meet Foreign Minister Alois Mock away from Vienna in sites near Austria's borders with their countries.

"They just want to avoid getting involved in this internal Austrian affair. It's a very difficult situation for a small country like Austria, which must depend a lot on good relations with other countries," an Austrian official said.

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## Senator Says Pentagon Underreported Consultants' Figures

By Helen Dewar  
Washington Post Service

WASHINGTON — The Defense Department spent at least \$3 billion last year on consulting contracts, vastly more than its official figure of \$155 million, a senior senator has said.

The legislator, Senator David H. Pryor, Democrat of Arkansas, made the statement on Tuesday as the government's investigation into possible pay by military consultants died off demands in Congress the overhaul of military purchasing practices.

Using figures compiled by the General Accounting Office, the fiscally watchdog agency of Congress, Pryor said the Pentagon and other major agencies were significantly underreporting their use of

private contractors in what amounts to "keeping this shadow government under wraps."

Although the Defense Department said it spent \$155 million on consultants in the 1987 fiscal year, the accounting office, using a broader definition of consulting services, put the total at no less than \$2.6 billion and possibly as high as \$3.8 billion, Mr. Pryor said in a Senate speech.

The Pentagon is showing "only the light side of the moon, not the dark side where the cheese is," said Mr. Pryor, chairman of a Government Affairs subcommittee on federal services. It has been investigating government use of private consultants.

These were among the related developments:

• President Ronald Reagan, at the Toronto economic summit

meeting, said the reports of wrongdoing that surfaced last week disappointed him, but he added, "I think it should be understandable how such things can happen in something as big as our government."

• Sources said federal investigators, who wiretapped at least a dozen persons during the inquiry, had photographed and videotaped meetings between some individuals under investigation.

On Capitol Hill, legislators in both chambers were dusting off old proposals and drafting new ones to revamp weapons-purchasing procedures. The proposals are directed at procedures that may have been manipulated by consultants to obtain inside information to help clients obtain lucrative government contracts.

Senator Alan J. Dixon, Democ-

rat of Illinois, an Armed Services Committee member, proposed that the undersecretary of defense for acquisition become "procurement czar" for all defense acquisitions. He proposed limiting activities of consultants, contractors and government personnel in charge of procurement information.

In compiling consultant costs, the GAO used broad definitions developed by the Reagan administration in a cabinet-level study in 1984 of the true costs of consulting services, an aide to Mr. Pryor said. The study was prompted because agencies understated consultant costs to fend off cost-cutting, the aide said.

The Pentagon's inspector general has made similar findings, Mr. Pryor said. While the army reported spending \$23,000 on consultants in 1983, Mr. Pryor said, the department's inspector general said the army spent \$2.7 million on them.

In the Senate, the Armed Services Committee chairman, Senator Sam Nunn, Democrat of Georgia, urged caution about scandal-spawned proposals for change. But he said, there may be "loopholes" that need closing, especially in the area of consultants. Congress should examine whether consultants are being engaged to get around restrictions imposed on government employees and private contractors, he said.

He urged that Congress determine how many abuses violate existing law and warned against excessive regulation that could lead to higher costs.

■ News Leaks Criticized

The House speaker, Jim Wright of Texas, criticized as "thoroughly outrageous" and "despicable" the

## Political Employees of the Contras Get Notices of Dismissal by June 30

By George Volsky  
New York Times Service

MIAMI — All employees of the political support network of the Nicaraguan rebels around the world have received notices of dismissal as of June 30, a senior contra official said.

The layoffs involve 350 to 400 people but do not include the fighters, said the contra official, Silvano Arguello Cardenal. He said some employees would eventually be rehired to conduct reduced political operations in support of the anti-Sandinist cause.

The Reagan administration has said it is planning to request additional financing for the contras, but the prospects for such a request in Congress are uncertain.

In March, Congress approved \$47.9 million for children who are victims of the war in Nicaragua, a true monitoring commission, and food, clothing and medical supplies for the rebels, but there has been difficulty in delivering the aid in Nicaragua.

"There is obviously a budgetary crunch and expenses have to be cut," said Mr. Arguello, a vice president of the Nicaraguan Assembly. The 54 self-appointed members of the year-old assembly, anti-Sandinists in exile, choose the top political leaders of the contra movement.

"Our operations outside Nicaragua have become overbureaucratized, and it is high time that they be totally revamped," Mr. Arguello said.

Jorge Rosales, a spokesman for the Miami contra office, would not comment about the layoffs, which involve workers in publicity, communications, family support ser-

vices, and clerical help. He acknowledged that several plans to reorganize contra political operations are being prepared and said they would be presented to the five directors of the Nicaraguan Resistance, the main contra political organization.

In addition to the Miami contra headquarters, which includes workers at Radin Liberacion, a shortwave broadcasting outlet, the Nicaraguan Resistance has offices in Washington and in several Latin American countries, including Honduras and Costa Rica. In Europe, there are offices of representatives in Spain, Italy, France, Britain and West Germany, among other countries. The annual worldwide budget for political operations is \$3 million to \$5 million, contra officials said.

Most of the workers at contra headquarters receive salaries ranging from \$12,000 to \$15,000. Contra employees said that some of them have not been paid this month.

Each of the five directors of the Nicaraguan Resistance is said to be paid \$75,000 a year and has an expense account. They reportedly have been paid directly from a U.S. government source that differs from the one that pays the employees, and their checks have reportedly continued to arrive on time.

The contra troops remaining in Nicaragua now number fewer than 2,000 people in Honduras, who closely follow contra affairs said by telephone Monday from Tegucigalpa, the capital. This is about the same number as were there last year, before about 8,000 Honduran-based rebels began entering Nicaragua in large numbers.

Because American supply flights were interrupted and the contras and the Nicaraguan government have not reached an agreement about how to transport food to the contras, many rebels have gone back to Honduras, the people in the capital said.

■ Botha Proposes Black in Cabinet

Reuters

JOHANNESBURG — The South African government introduced bills in Parliament on Wednesday to allow appointment of the country's first black cabinet minister. Chris Hanius, minister of constitutional development and planning, said he hoped the bills would be passed by the end of the year.

South Africa's 26 million blacks have no vote. No black person has served in the central government.

President Pieter W. Botha told legislators on Monday that blacks should be given "ministerial responsibilities in respect of matters affecting their communities." Observers said Mr. Botha probably first would appoint a black deputy minister to help with an issue such as housing or education.

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**Pakistanis Seeing Cracks in Zia Regime**

By Jonathan C. Randal  
*Washington Post Service*

ISLAMABAD, Pakistan — Slowly, but with increasing insistence, Pakistanis are beginning to wonder if President Mohammed Zia ul-Haq, 64, may be losing the combination of cunning and luck that has helped keep him in power for the last 11 years.

Still considered the country's smartest politician, by friend and

foe. She is the leader of the influential Pakistan People's Party and the daughter of Zulfikar Ali Bhutto, the charismatic prime minister whom General Zia overthrew in 1977 and had condemned and hanged two years later.

Technically, the supreme court's decision of policy confusion generated by his failure to name a date for new parliamentary elections. One blow was the refusal of the country's major religious leaders to endorse his vague Islamization ordinance. This seemed to involve the expansion of *sharia*, or Islamic religious jurisprudence, at the expense of the Anglo-Saxon statutes left behind by the British when Pakistan became a nation in 1947.

Observers said that some clerical allies condemned the ordinance as cosmetic because it did not go far enough. Others were said to fear that it was liable to set the Shia minority against the Sunni mainstream.

Human rights activists and women's groups feared what they saw as the ordinance's implied curtailment of the present legal system's protection.

Then, this week, Pakistan's supreme court ruled that General Zia had exceeded his constitutional powers in requiring political parties to register with the government to contest elections.

The suit was brought by Mrs. Benazir Bhutto, his major political

foe. She is the leader of the influential Pakistan People's Party and the daughter of Zulfikar Ali Bhutto, the charismatic prime minister whom General Zia overthrew in 1977 and had condemned and hanged two years later.

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## Some See Namphy Surprised by Coup, Even Reluctant

By Joseph B. Treaster  
New York Times Service

PORT-AU-PRINCE, Haiti — Details of the coup that returned Lieutenant General Henri Namphy to power began to emerge, then indications that the general himself might have been among the most surprised by the events Sunday night.

Some former government officials said Tuesday that he might even have been a bit reluctant, citing a debilitating illness with some of the feverish symptoms of malaria, and a self-described weariness with life in the public spotlight.

Several Haitians, including the general's brother, Joe Namphy, said the military takeover had been planned and carried out by officers and enlisted men without General Namphy's knowledge or even his knowledge of the coup.

Among the most intriguing ele-

ments emerging, the general's brother and others said, is that a central figure in the coup was a man in the presidential guard named Prosper Avril, who was promoted to brigadier general on Sunday.

General Avril was a close adviser to the dictator Jean-Claude Duvalier and to General Namphy after he became head of a provisional government when Mr. Duvalier fled into exile in February 1986.

During General Namphy's two years as head of the provisional government, there was speculation, especially at the beginning, that the reason for some of his apparent decision and unwillingness to initiate change was that he was being directed by General Avril and others working behind the scenes.

General Avril, who is rarely seen in public, was at General Namphy's side Monday, as he declared himself president of the new government, and he is ex-

pected to continue to be a major force in the regime.

General Namphy and other officers always have cited patriotism as their reason for taking control of the country. But many Haitians say members of the army also are trying to preserve a range of financial benefits, from pay and bonuses to lucrative returns from smuggling goods ranging from rice to refrigerators.

The soldiers also prize the status that comes from being a member of the most powerful and feared element in Haitian society.

General Namphy first learned of the coup as an armored car forced its way into his walled residence and a sergeant ran to find him, his brother said.

"Get into your uniform and let's get going," Joe Namphy quoted the sergeant as telling his brother. "We're going to put you in the palace."

Port-au-Prince, which had fallen into stunned silence after the military ended the four-month-old civilian government of Leslie F. Manigat, seemed to have resumed its normal chaotic rhythms Tuesday. Its sweltering streets were choked with cars and buses, and sidewalks were jammed with displays of smuggled whisky, electric fans, and wicker baskets stuffed with clothing.

The first signs that a familiar old toughness was settling over the weary country began to appear, too.

There were reports that several officials from the deposed civilian government had been arrested by the army and that some people were still being detained, including Roger Savain, the former minister of information, who had signed a cover letter on a Manigat government announcement of a sweeping reorganization of the army Sunday afternoon, and his son, Roger Savain Jr., who was not an official.

Joe Namphy said that, far from longing for power, the general had seemed relieved after he turned over the government to Mr. Manigat in February. Nonetheless, he said, when the soldiers came to get General Namphy on Sunday night, he did not hesitate.

Within minutes after the vehicle rolled into the general's yard Sunday evening, he and his wife and daughter had climbed through the hatch and were speeding toward the Presidential Palace.

At the palace Sunday night, Joe Namphy and others said, General Namphy was welcomed by the entire presidential guard. Not a shot was fired as the Manigat government fell.



NAVY SUED IN AIDS CASE — Martin Gaffney, a Marine chief warrant officer, holding a photo Tuesday in Boston of his late wife, Mitsuko, who he says died after a Navy hospital gave her a transfusion of AIDS-tainted blood. He is suing the U.S. government for \$55 million, alleging that the transfusion resulted in her death in 1987 as well the death of a son and his own infection with the virus. The navy declined to comment.

## Swiss Firm Is Going to Test AIDS Vaccine on Humans

Reuters

ZURICH — The Swiss drug giant, Ciba-Geigy AG, said on Wednesday it would start human tests on a prospective vaccine against HIV, the virus that causes AIDS.

But the company said it could be at least 10 years before a vaccine was available — too late to help the thousands of people scientists expect to die of acquired immune deficiency syndrome by the late 1990s.

The company's spokesman, Urs Peter Oberlin, said the vaccine, developed jointly with Chiron Corp. in California, would be tested on healthy male volunteers at a Geneva hospital, with tests in the United States to follow.

"Effective pre-clinical animal and laboratory tests suggest that this approach is effective in eliciting a strong immune response against HIV in several animal species," Mr. Oberlin said.

But he said a long process was involved to discover whether the vaccine would not only produce the same response in humans but also go further and actually prevent

people becoming infected with the virus.

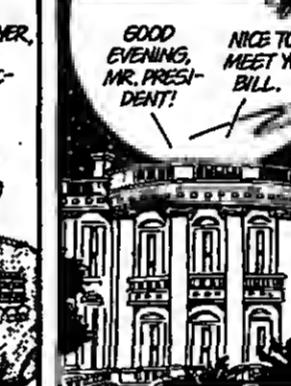
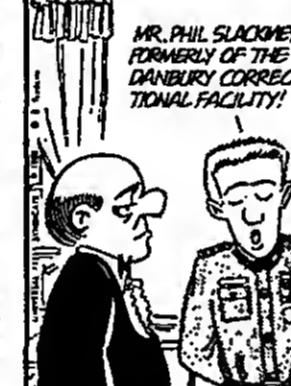
This means the vaccine would be unavailable until the late 1990s at the earliest, he added.

Latest World Health Organization figures show 94,000 reported AIDS sufferers in 136 countries. Scientists fear the real number could be double.

The race is on among drug companies to develop an anti-AIDS vaccine.

The students have linked the two issues by charging that the presence

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Illustration by Ken Marenco for Le Méridien

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## U.S. Works on Its Image in South Korea

By Fred Hiatt  
Washington Post Service

SEOUL — The U.S. ambassador to South Korea has launched a public relations offensive to counter what he says are historical distortions fueling the rise of anti-Americanism here.

In a magazine interview published this week in Seoul, the ambassador, James R. Lilley, rebutted a series of allegations that have become gospel among many students, opposition politicians and others in South Korea. The allegations portray the United States as supporting military dictators here for the last 40 years at the expense of the democratic aspirations of South Koreans.

As South Korea has liberalized and democratized in the last year, the allegations about the U.S. role have been discussed more freely.

Many scholars and students openly blame the United States for the division of Korea in 1945, the installation of a series of repressive rulers and the nation's continuing partition.

Mr. Lilley argued in the interview this week in the monthly magazine *Chosun*, and in a briefer newspaper interview in late May, that the United States had also been victimized by past South Korean censorship. He said that past regimes had used their control of the press to distort U.S. policies, trumpering U.S. support while refusing to report any criticism from Washington.

Now that "the media and intellectual climate in Korea is changing," the ambassador said, Koreans should learn the full truth of past U.S. positions. He said he welcomed National Assembly investigations into the U.S. role in earlier coups and other matters.

Having succeeded in forcing democratic changes through protests last year, students in South Korea recently have been concentrating on new issues, chiefly anti-Americanism and the need for reunification with Communist North Korea.

The students have linked the two issues by charging that the presence

of 40,000 U.S. troops in South Korea is an impediment to reunification, an allegation also frequently made by North Korea.

"I am particularly disturbed that some people seem to be linking anti-Americanism with the problem of reunification," Mr. Lilley said. "We realize it is a very emotional question for Koreans. The U.S. has always supported peaceful efforts to reunify."

Recent unpublished surveys show that anti-Americanism has grown among the general population and not just among leftist students, according to sources. Although a majority of Koreans still support the presence of U.S. troops to help defend against a possible attack from the North, they are evenly divided as to whether the overall U.S. influence is good or bad.

That result marks a significant change from even one year ago, when more Koreans regarded the United States as a benign influence, the sources said. They cited several factors, including U.S. pres-

sure on South Korea to open its markets to U.S. goods, especially cigarettes; student rhetoric, and the widespread belief in U.S. complicity in the South Korean Army's suppression of an uprising in the provincial capital of Kwangju in 1980.

In the interviews, Mr. Lilley said the United States knew little of the events in Kwangju, which took place shortly after former President Chun Doo Hwan seized power in a coup. He also said the United States, although it would command Korean forces in wartime, had no jurisdiction over the Korean troops that were used to suppress the rebellion.

The Kwangju incident, in which at least 200 civilians were killed, remains a raw subject for South Koreans and a political problem for President Roh Tae Woo.

Mr. Lilley also responded to criticism of President Ronald Reagan for inviting Mr. Chun to the White House, as his first head-of-state visitor, in January 1981. Mr. Chun blanketed South Korea with pub-

## U.S. Study Finds Dramatic Decline In Tooth Decay Among Children

New York Times Service

WASHINGTON — Half the schoolchildren in the United States have no cavities or other tooth decay in a continuation of gains that health officials say could mean the virtual end of dental disease as a major public health problem.

Experts credit widespread use of fluoride and high levels of dental care for the improvements seen in the survey, which was conducted in the 1986-1987 school year. The gains in reducing tooth decay were first noted in the 1970s.

The survey of almost 40,000 children at 970 schools around the country was conducted by the National Institute of Dental Research. The findings indicate that tooth decay and cavities have declined at a dramatic rate over the last 15 years and that the decline is generally uniform throughout the nation.

The survey showed that 49.9 percent of all children had no decay in their permanent teeth, up against 36.6 percent in a similar 1975-1980 study and an estimated 28 percent in the early 1970s.

Most of the children who were entirely free of tooth decay were in the under-10 age group. The majority of older students surveyed, up through the age of 17, had some cavities or other decay problems. By the age of 17, only 16 percent of those surveyed were entirely free of cavities. But experts at the institute said that older children were also getting fewer cavities than in the past.



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## Communication Bedevils the Summiteers

By John F. Burns  
New York Times Service

TORONTO — At a dinner Monday night at Hart House, an ivy-encrusted college at the University of Toronto, some of the European leaders gathered at their annual summit meeting were left scratching their heads after an exchange over farming subsidies between President Ronald Reagan and Jacques Delors, president of the European Commission.

According to an account relayed by an official, Mr. Delors was explaining why the 10 million farms in Western Europe, most of them relatively small, needed subsidies to place them on a level footing with the two million American farmers, most of whom work much larger acreage.

Mr. Reagan, seemingly perplexed, is said to have replied that he found it difficult to believe that Europeans all had small farms because a European he knew in California had one of that state's largest ranches.

If some leaders seemed at times to be talking past each other, a communications problem of another kind confronted Prime Minister Ciriaco De Mita of Italy, who said almost nothing for several of the sessions, then found, when he joined the discussions, that the other leaders understood so little of what he was saying that at least one of them, Prime Minister Margaret Thatcher of Britain, thought she had a problem with her headset.

As it turned out, it was a problem of translation. Mr. De Mita is from the Avellino region, inland from Naples, an area renowned among Italians for producing people with thick accents. The interpreter provided by Canada was flummoxed by the Italian leader's speech.

This was no surprise to Italian reporters covering the talks. "Some of us have trouble understanding him too," said Marcello Villari, a correspondent for *L'Unità*, the

newspaper of the Italian Communist Party. "It's been a problem throughout his career."

Prime Minister Noboru Take-

shi of Japan is also a newcomer at a conference at which five of the participants altogether have attended 36 economic summit meetings — Mrs. Thatcher, Mr. Reagan, President François Mitterrand of France, Chancellor Helmut Kohl of West Germany, and Prime Minister Brian Mulroney of Canada.

Mr. Takeshi, 64, who speaks no English and who posed for his official photograph in a kimono, suggesting to some officials that he might be a figure apart among the leaders, has surprised the conference by speaking often and forcefully on issues of concern to Japan, both in the formal sessions and at the more relaxed get-togethers over lunch and dinner.

Much of the talk among the 2,500 reporters covering the conference was about the lack of anything really striking to report.

Many newspapers and television networks, European as well as North American, have cut back on their presence at economic summit conferences in the past, and only the Japanese, their relative economic strength greater than ever, have stepped up their coverage.

In the case of the Financial Times of London, one of Europe's leading financial newspapers, the editors seemed to have struck a middle course, deciding that the summit meeting was not that interesting but running extensive reports anyway.

"I think the attitude is that we have an obligation to produce a certain amount of copy, because, after all, it is the leaders of the Western world that are meeting here," said Philip Stephens, the economics correspondent.

"So we end up with a story that says that the meeting was 'uneventful' and 'unexciting,'" and tells the reader about it in 800 words."



James A. Baker 3d uses a rolled up paper to speak to someone across the room at the economic summit meeting in Toronto.

## SUMMIT: A New Look at Power-Sharing Among the Industrial Leaders

(Continued from page 1)

European official said, "but as the leader of the Asian Pacific region..."

"For the first time at a summit, he added, "the Japanese are standing up to the United States and taking political initiatives."

Noboru Takeshi, the Japanese prime minister, made it clear that he was speaking on behalf of his country's Asian neighbors.

He brought a request from President Roh Tae Woo of South Korea for support for the Seoul Olympics, and put in a strong plea for sympathetic consideration for newly industrialized Asian countries such as Taiwan, South Korea, Singapore and Hong Kong.

He talked of the problems of the Philippines, Cambodia and South Korea almost as if they belonged to a Japanese sphere of influence.

Michihiko Kunihiro, chief cabinet counselor for external affairs, said, "Many Japanese people have a growing sense that Japan should play a greater role in affairs outside Japan, and that means a share of greater responsibility in the international community."

At past summit meetings, Japan's main objective has often been simply to escape criticism for its trade policies. But this time it took the initiative on international debt relief and in pressing for greater coordination of economic policies.

Some of Japan's actions mystified its summit meeting partners, who constantly reminded their listeners that the community was the world's largest trading bloc, with over 25 percent of world trade.

Jacques Delors, the European Commission president, believes that European countries now come to the summit meetings with higher

down to Tokyo's inexperience as a world leader. "Japan is coming through an educational period" in adjusting to the Western leadership structure, Mr. Kunihiro said.

But above all, Mr. Takeshi's concern was with the potential threat posed by the formation of the two other economic blocs — the U.S.-Canadian free trade area and the European Community's post-1992 single market.

Europe's influence was asserted by Willy de Clerq, the EC commissioner for external relations, who constantly reminded his listeners that the community was the world's largest trading bloc, with over 25 percent of world trade.

Jacques Delors, the European Commission president, believes that European countries now come to the summit meetings with higher

morale and greater self-confidence than they did three or four years ago.

They feel more comfortable at the negotiating table, he said, adding that other countries realize that "things are moving in Europe."

European officials attributed this to the continuing relative prosperity of Western Europe and the planned move to the single market, which is galvanizing the way Europeans see themselves.

The reason for the summit meeting countries' recent successes in managing the world economy, according to James A. Baker 3d, the U.S. Treasury secretary, is that the seven nations are finally establishing a "political mechanism" to run their economic and monetary affairs.

Mr. Medvedev, in a news conference sponsored by the government news agency Novosti, told reporters he was not seeking readmission to the Communist Party but that he would accept it "with appreciation" if offered.

Known for his book "Let History Judge," a work on Stalin never published in the Soviet Union, Mr. Medvedev said he was

## DRY: Heavy Crop Loss

(Continued from page 1)

benefits they would ordinarily have received from the government.

The proposal appears to have broad support in both houses of Congress and in the Reagan administration. Under the plan, wheat farmers would be eligible to receive \$1.53 for every bushel they would have produced. Barley farmers would be paid 76 cents a bushel, and oat farmers 30 cents. The benefits also would be extended to corn, cotton and rice farmers.

Income support payments are based on the difference between market prices and a "target price," which is the price Congress believes farmers should receive for their crops. This year the Agriculture Department estimated that the market price for wheat would be \$2.70 a bushel and set the target price at \$4.23 a bushel; hence the support payment of \$1.53.

Several disaster relief programs already had ensured that the farmers would receive the payments even if their crops were destroyed, as long as market prices were below the target price. The drought, however, has raised market prices, which as a result could exceed the target price by half.

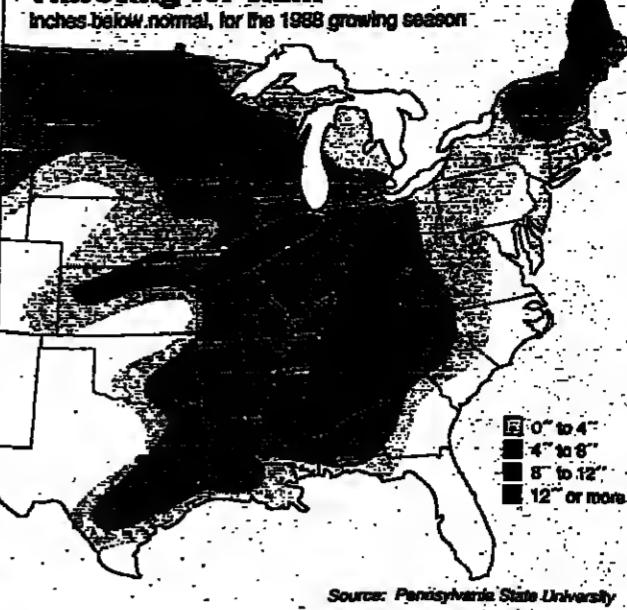
Under the current rules, if market prices exceed the target price, the income support payments are eliminated, even for farmers contending with natural disasters. Mr. Burdick's proposal would ensure that the support payments continue.

Nine days ago, Jamestown, North Dakota, a prairie town of 12,000 people, received a inch of rain, the first good showers in more than a year. The moisture was too late for most of the wheat, however, and hardly enough for any other crops.

"Back in May, people were joking about whether they were wasting their time planting," Duane R.

## Thirsting for Rain

"Inches below normal for the 1988 growing season."



Source: Pennsylvania State University

The New York Times

## 47 Killed In Egyptian Tent' Fire

The Associated Press

ASYUT, Egypt — A fire set off by sparks from a cooking booth swept through a city of tents housing thousands of Coptic Christians attending a religious festival and 47 people were killed, the police said Wednesday.

The victims, most of them children, either died in the blaze or were trampled to death in the rush to escape, a senior police official said.

The fire broke out on Tuesday in the tent city at the foot of the al-Muharraq Monastery in al-Qasr, a provincial capital, the authorities said. Asyut is 390 kilometers (240 miles) south of Cairo.

The fire began when sparks from a makeshift food booth touched some tents, igniting them and setting off a chain reaction in which about three dozen butane lamps exploded, the police official said. He said the booth's two owners, both Copts, were arrested. But foul play is not suspected.

Witnesses said the monks quickly closed the monastery's massive door when the fire broke out. This caused panic-stricken pilgrims, who initially dashed to the building for refuge, to turn back and rush to the gate of the fenced tent city.

The police official said 26 children, 15 men and six women died in the blaze. He said 15 people were injured trying to escape.

The monastery, a four-hectare (10-acre) compound with 70 to 80 monks in residence, was not damaged. Its name means "The Burnt Monastery."

## PLO: Divided by Plan

(Continued from page 1)

they could solve their problem without talking directly with Israel," he wrote, adding that the PLO should be prepared to talk to the Israeli government in the framework of an international peace conference.

Mr. Abu Sharif, 43, who was educated at the American University of Beirut, has been Mr. Arafat's spokesman for nearly 16 months. He was expelled from the Popular Front for the Liberation of Palestine, which is led by George Habash, after having accompanied Mr. Arafat on a visit to Cairo.

Mr. Arafat is on record as favoring an independent Palestinian state alongside Israel. He has proposed that United Nations forces be deployed on the Palestinian side of the border for five years.

But the PLO chairman rejected the latest U.S. initiative by Secretary of State George P. Shultz on the grounds that it did not support an independent Palestinian state.

Mr. Abu Sharif's ideas, rejected a referendum in the occupied territories. He said the PLO was the sole legitimate representative of the Palestinian people.

Israel refused to negotiate with the PLO, saying that it is a terrorist organization bent on the destruction of Israel and that the PLO would consider the creation of an independent state in the West Bank and Gaza Strip a first step in a campaign for all the territory it calls Palestine. The United States insists that the PLO recognize Israel's right to exist before the PLO takes part in the peace process.

El-Fatah Uprising, which broke from Mr. Arafat's Fatah group five years ago, charged that Mr. Abu Sharif's statement reflected the chairman's "deviationist policy."

## 8 Die After U.S. Rail Crash

The Associated Press

CHEROKEE, Kansas — Two women and five children were killed when their automobile was hit by a train Tuesday. An eighth person died trying to resuscitate one of the victims.

## Soviet Dissident Ends Verbal Exile

The Associated Press

MOSCOW — Roy A. Medvedev, a dissident historian expelled from the Communist Party almost 20 years ago and officially silenced since, emerged Wednesday to espouse his independent Marxism at a government-sponsored news conference.

It was the first official appearance in decades for Mr. Medvedev, and occurred less than three weeks after Andrey D. Sakharov, a Nobel Peace Prize winner and former political exile, met with reporters at the Soviet Foreign Ministry.

Mr. Medvedev, in a news conference sponsored by the government news agency Novosti, told reporters he was not seeking readmission to the Communist Party but that he would accept it "with appreciation" if offered.

Known for his book "Let History Judge," a work on Stalin never published in the Soviet Union, Mr. Medvedev said he was

invited by Novosti to take part in the news conference, which dealt with the Soviet Union's review of Stalin's purges.

"We are reviewing our history very deeply but the review wouldn't undermine the legal basis of our state," he said. "It has emerged and will continue to function in the future."

Mr. Medvedev defended the Communist Party's monopoly on power through the one-party system. He said the Soviet Union must develop a democratic spirit inside and outside the party, but "at the same time we need centralism, because without subservience to the decisions of the central organs, without subservience to the local leaders, we may have anarchy."

But he said minorities must always have the right to their opinions.

Mr. Medvedev cited George Orwell's novel of totalitarianism, "1984," a reference that until recently would not have been possible in an officially sponsored meeting.

In the news conference, which they want made part of neighboring Armenia, The Associated Press reported from Moscow. However, demonstrations continued, residents said.

They could solve their problem without talking directly with Israel," he wrote, adding that the PLO should be prepared to talk to the Israeli government in the framework of an international peace conference.

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## LATVIA: Writers Publish a Call for Sovereignty

(Continued from page 1)

demands and liberalization of the official press has provided an outlet for ideas once banned.

The governing Central Committee of the Latvian Communist Party met late last week in a special session to discuss growing nationalist feeling in the Baltic republic, and party officials reportedly clashed over how to deal with it.

Dainis V. Zelmenis, an official in the Latvian government, said on Tuesday that Latvia's delegates to the Moscow conference, including the head of the Writers' Union, had vowed to air their demands during the party gathering.

Until now the Soviet leader, Mikhail S. Gorbachev, has contended with nationalist stresses by allowing ethnic minorities to air their grievances through the press and legislatures, without granting major concessions.

Latvia, like its neighbors Estonia

and Lithuania, has often chafed under Soviet rule since it was annexed in 1940 under a secret agreement with Germany. The United States has never formally recognized the takeover.

The statement by the Latvian writers, drafted at a meeting on June 1 and 2, calls for a re-evaluation of the role of the Soviet Union's 15 republics to give them much greater political independence.

The union call for the Latvian language, Letish, to be made the official language of the republic in schools and workplaces, supplanting Russian, which would be used for "communication between nationalities."

■ Armenians Back at Work

Armenians who stayed away from their jobs for a month began returning to work Wednesday in Nagorno-Karabakh Autonomous

Region, which they want made part of neighboring Armenia. The Associated Press reported from Moscow. However, demonstrations continued, residents said.

EC Professionals Win a Job Right

Reuters

BRUSSELS — Professionally qualified workers from European Community countries will have the right to work anywhere in the 12-nation group from the early 1990s, under an agreement reached by EC ministers on Wednesday.

EC officials consider the accord, which still requires the European Parliament's approval, as an important step toward a real common market whose citizens will be allowed to move freely from one state to another.

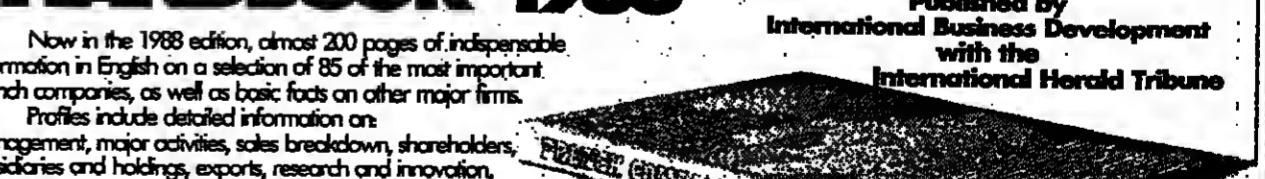
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## Africa Battles to Turn Back a Tide of Toxic Waste

By Blaine Harden  
*Washington Post Service*

NAIROBI — In Nigeria, where nearly 4,000 tons of highly toxic chemical waste was discovered early this month, the government has arrested 15 alleged dumpers and is threatening to shoot them. The waste, some of which is deadly polychlorinated biphenyl, or PCB, came from Italy.

In the Central African nation of Congo, three senior government officials were arrested last week in an alleged scheme that would have al-

lowed the dumping of up to 50,000 tons a month of toxic waste. According to a United Nations official, the principal dumper was to have been a New Jersey firm.

In the West African country of Guinea, the Norwegian government agreed this week to pick up 15,000 tons of toxic incinerator ash that a Norwegian ship dumped there in February. The ash is from Philadelphia.

Africa, a preindustrial continent in urgent need of hard currency, has awakened with a start in recent weeks to the equally urgent need of

the industrialized West to get rid of its toxic waste.

The abrupt awakening has produced a spate of arrests and has forced the cancellation of several dumping contracts that African countries had made with European and American companies. It also has helped intensify pressure for rapid action on a proposed UN convention that would prohibit toxic-waste dumping without the "informed consent" of developing countries.

The Daily Nation newspaper in Kenya has castigated "Western merchants of death." In Nigeria, the Daily Times of Lagos has editorialized about its "utter disgust" for "those countries who think they are rich and superior enough to turn poor countries to dustbins for toxic wastes."

Ian Huismans, the senior UN expert on toxic waste, said the effect of the scandals and the continent-wide storm of publicity has been "very rapid awareness-building" in poor African countries that might otherwise have been tempted to sacrifice environmental protection for short-term economic gains.

"The new awareness is quite significant, and it is badly needed," said Mr. Huismans, director of the Geneva-based UN International Register of Potentially Toxic Chemicals.

Mr. Huismans said that the up roar over dumping appears to have stopped several dumping deals before the hazardous chemicals arrived in Africa.

The issue of toxic-waste dumping in Africa has emerged in the past few months because manufacturers in Europe and the United States are facing tougher, more costly restrictions on the local dis-

posal of dangerous chemicals, Mr. Huismans said.

"The cost in the industrialized countries is becoming increasingly expensive," said Mr. Huismans. "That is the most likely reason why waste is being routed to these African countries that don't have regulations."

It was Nigeria that first brought the issue to the attention of Africa. At last month's meeting of the Or-

U.S. and UN experts performed preliminary tests Tuesday to see if the Italian waste is radioactive, the News Agency of Nigeria reported.

The revelations, which embarrassed the government in Lagos, prompted a flurry of Nigerian countermeasures.

Fifteen people, including several Italian nationals, were arrested in Lagos for their involvement in the dumping scheme.

The chief spokesman for Mr. Babangida threatened that any suspect found guilty of involvement in the dumping would risk execution.

After publicity about its acceptance of 15,000 tons of incinerator ash from Philadelphia, Guinea ordered that it be hauled away. The ash was dropped off by a Norwegian-registered ship, and Guinea has arrested a Norwegian honorary consul in connection with the dumping. In return for the consul's release, the Norwegian government has agreed to remove the ash.

Benin, another West African country, said it was reconsidering a plan to accept large quantities of industrial waste.

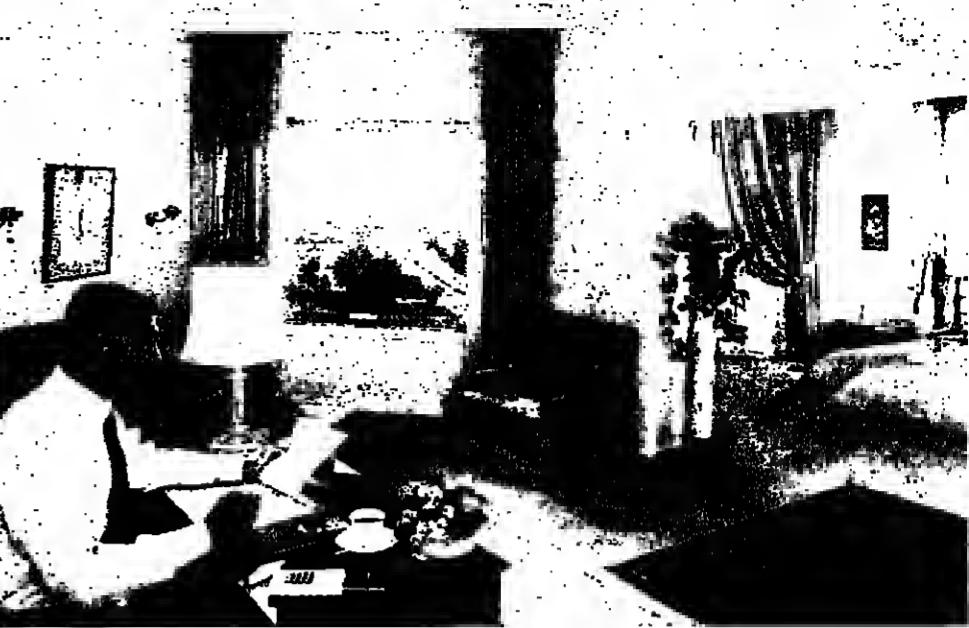
Congo also canceled a contract to import hundreds of thousands of tons of chemical waste from Western Europe and the United States. Last week, officials in the capital, Brazzaville, announced the arrest of five persons, including three Congolese officials, allegedly involved in setting up the deal.

Mr. Huismans said that Congo had signed a contract with Export Waste Management Inc. of Ingleside Cliffs, New Jersey, that would have allowed dumping of 20,000 to 50,000 tons of waste a month. He said the wastes included pesticide residue and sludge from manufacturing processes.

### ■ EC Promises Action

The European Economic Community announced Wednesday it would take urgent action to reduce exports of toxic waste with developing nations "to the lowest possible level," The Associated Press reported from Brussels.

The EC said it would work quickly towards the establishment of a "system to provide developing countries where they request it, with technical and other assistance to tackle the problems posed by hazardous waste."



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## Dam Plan Signed For Mozambique

Reuters

LISBON — Portugal, Mozambique and South Africa signed a financial and security accord on Wednesday aimed at reactivating Africa's biggest hydro-electric plant.

The 2,000-megawatt Cabo Basse dam, on the Zambezi river, built by Portugal in the early 1970s when Mozambique was still a colony, has been crippled by attacks from rightist rebels for the past decade.

"This agreement provides a new lease of life for relations between South Africa and Mozambique and the entire Southern African subcontinent," said South Africa's deputy foreign minister, Kobus Meiring, at a news conference in Lisbon.

## Burma Enforces Curfew After Riots in Rangoon

United Press International

RANGOON, Burma — Troops patrolled Rangoon on Wednesday to enforce emergency measures imposed after six persons were killed in student riots, witnesses and official reports said.

Small units of the Burmese Army enforced a night curfew and emergency measures banning public meetings and speeches in the city, but there were no reports of further clashes. Most of Rangoon's colleges and universities were closed indefinitely after Tuesday's violence.

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## OPINION

Gimmie  
For Fine  
Misses  
Up Go New Gate-Crashers,  
Down Goes Old Privacy

By George F. Will

WASHINGTON — In a case more interesting for its sociological than its constitutional content, a women have won what is sure to be a women victory in the Supreme Court. Time will grow in the telling about it, as it stands as a milestone on the road to the full emancipation of men. Too bad it also brings another attraction of what Louis Brandeis led the right most valued by civilized people, "the right to be let alone."

The case of New York's private — but really private any more — clubs will be applauded most warmly by liberal types who fancy themselves tribunes of common people. The apoliticians will hide people who consider themselves more to, and scoundrels of the crass, numerical, aggressive, self-aggrandizing sort of the day, a spirit often denoted by people as "the climate of Reagan."

But the case is really intramural, ghoushing the ruling class, a battle between two briefcase brigades.

In 1965, New York City enacted a man Rights Law prohibiting discrimination in any place of "public accommodation, resort, or amusement" but excepting any "institution or club" that is "sociably private."

In 1984, the city amended the law with language designed to make a few private clubs as substantially "public" in nature and thus covered by the law. The amendment of the law had unanticipated, even unnoticed.

The City Council declared a "compelling interest" in guaranteeing to all a fair and equal opportunity to participate in the city's commercial life. The council said that "women and minorities are seriously held back by discrimination at clubs" "where business

deals are often made" and personal contacts valuable for business are formed.

Now the Supreme Court has unanimously — and correctly — held that nothing in the Constitution prevents New York City from doing what it did. However, it remains for the rest of us to do what the Supreme Court should not do, for reasons of dignity: guffaw.

Some men desire haven from women. Some men believe that mixing of the sexes inhibits certain kinds of discourse. Such men (and women whose clubs also can now be stormed) may be peculiar or mistaken, but they have founded institutions where they would like to have a right to be "let alone."

And today's emancipators seem so lost in abstraction that they are utterly unembarrassed by this: They have used government power to override a First Amendment value (freedom of association) and have done so in the name of "nondiscrimination." But the women who will benefit by being admitted to clubs are part of a small privileged class, and their desire to get into the clubs presupposes that the clubs will remain safe havens for privileged elites.

Where is Karl Marx when we really need him? It is time for American reformers to learn to talk the language of class. Interesting, is it not, that the right to discriminate on the basis of class is the only right so inalienable that it is unquestioned, even unnoticed.

The improvers who amended New York's law cannot see the moral ambiguity it creates. The law cranks up the clanging machinery of civil rights enforcement on behalf of a few hundred well-tailored women with briefcases that are eager to park next to the briefcases of men from the same class. These people would lose all interest in the clubs if, once inside, they found men and women who are not, well, you know, the better sort — folks with deals to make.

The clubs are enticing precisely because they are selective. What's that you say? Oh, no, not at all. Being selective is not like being discriminatory. Discrimination is what tacky people do. Being selective is what the best people do in order to "network" with their own kind.

Charles Paul Freund of the New Republic has it right: "The struggle between women and private clubs smacks of the Iran-Iraq war; either side is very appealing. Certain rich women want to get richer. Good for them. But what about the rest of us? These women are happy to keep the clubs' class discrimination. In fact, that's sort of their point. Do we really want to trash remaining notions of privacy over this?"

This episode involves the hijacking of the civil rights tradition. It is the exploitation, by strong and socially adept people, of a legal vocabulary ("fair and equal opportunity," "barriers to advancement") written to protect the weak. It illustrates the decline of the moral weight of the label "civil rights."

Richard D. Lamm, former governor of Colorado, in the Los Angeles Times.

## Shared Failure

ACE and ethnicity have become sacred cows that nobody dares address forthrightly. The fear of rekindling, re legitimizing, America's dark history racism and bigotry has made discussion of the deep racial divisions and persistent patterns of failure by some racial ethnic groups a taboo subject.

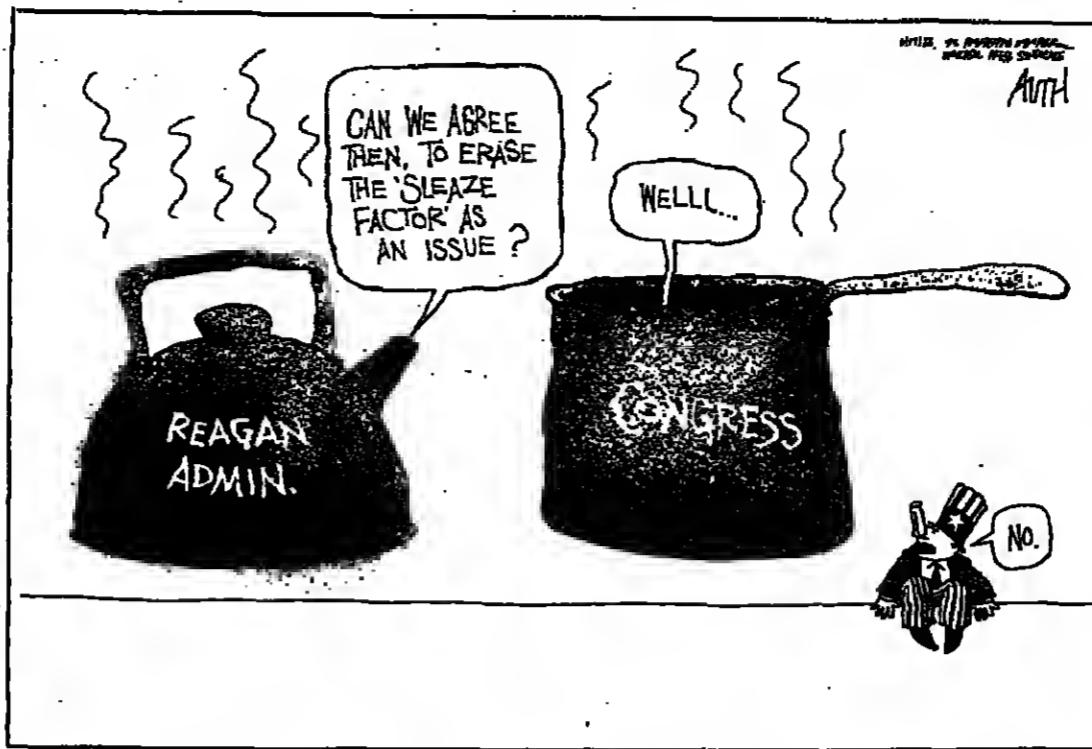
Important social issues such as drug addiction, teen-age pregnancy, the breakdown of the family, illiteracy, educational failure, crime and many others are rarely addressed honestly for fear that they will be seen as a subtle form of racial bigotry.

Failure to assimilate blacks and Latinos is the fault of both the society and some minority groups themselves. We

have 25 years of incontrovertible evidence that achieving racial and ethnic equality will require more than mere legislation. Uncomfortable as it makes us to criticize other people's cultures, we can be no doubt that the culture of ghetto and the barrio has contributed the failure of large numbers to take place in the mainstream.

Richard D. Lamm, former governor of Colorado, in the Los Angeles Times.

Washington Post Writers Group.



## LETTERS TO THE EDITOR

## The Good News Is Illusory

The editorial "Exchange Rates Work" (June 17), extolling the success of cheaper dollars in reducing the U.S. trade deficit, is an annual rate of more than \$100 billion this year, overlooks the significance of your front-page report on June 16, "Investments Swell U.S. Trade Deficit." The unprecedented investment deficit is a direct result of the cheaper dollar making it possible for foreign investors to buy up American assets at bargain basement rates. The increase in foreign investment in the United States amounted to more than \$100 billion in the period 1984 through 1987, and that investment has meant exporting more

toward the atheistic Soviet state, the Russian Orthodox Church, like any Christian church, cannot be a challenge to the state's monopoly on ideology and authority. A Russian friend once protested to me against a comparison of Stalin with Czar Nicholas I. Mr. Worthorne's comparison of the Russian Orthodox Church with the Communist Party seems to me much more dangerously mistaken.

K. A. GROCHOLSKI  
London

## Movement on Angola

L. Clarke (Letters, June 8) calls UNITA's "minority" rebel group in Angola. But in 1975 the Organization of African Unity reported that if elections were to take place, the National Union for the Total Independence of Angola would win the most votes.

It is appropriate — Moscow being topical — to quote Soviet leaders who seem now to accept UNITA's legitimacy. Anatoli Adamishin, a deputy foreign minister, has stressed that "a military solution in Angola has proved unattainable," adding that "only a political solution would bring peace to the region." Mikhail Gorbachev has said he favors a "collective effort to achieve peace in Angola." Moscow also has dropped its condition that the United States cease arms deliveries and support to UNITA before negotiations can begin.

It is possible that the revolutionary mythopoetic appeal of Fidel Castro is waning with the realization that his First World life-style is financed by what William Safire calls his "most profitable export . . . the blood of Cuban youth" (Opinion, June 7). This blood is being spilled to murder Angolan blacks, to hit the economies of Zaire and Zambia and to prevent radical changes in southern Africa that would include applying United Nations Resolution 435 in Namibia,

the formation of a joint government of Angolans and a rapid advance in rights for blacks in South Africa.

MARCEL PRUWER  
Antwerp, Belgium

## A Beautiful Country

As a frequent visitor to Europe and reader of your newspaper, I would like to congratulate you on your news coverage of South Africa. We have a beautiful country and I am sure that together with black South Africans we will find a political solution. The progress is good and it can be faster if our economy keeps picking up. We need economic stabilization, not handouts — and not sanctions.

JAN FOURIG  
Secunda, Transvaal, South Africa

## An Evolving Definition

Donald Emery (Letters, June 9) should realize that "denimization of women" is a self-contradictory concept. Women are feminine by definition. What troubles him is that women are overstepping the boundaries hitherto set for them, and taking their rightful place in all sectors of human life. Mr. Emery obviously sees this as an encroachment on his territory.

ANDREA UHRHAMMER  
Paris

## Sorry, Wrong Number

"Telefónica Nears Accord to Revamp Moscow Phones," we read (May 31). Come here to rural Spain. Moscowites, before you shell out rubles to Spain's national telephone company. You will find that on its home ground, helpless clients are incomunicado prisoners of a monopoly's malfunctioning dictatorship. It's a system reminiscent of Stalin.

MICHAEL KUHL  
Arcones, Segovia, Spain

## Now You Need a Centennial To Feel Like Saturday Night

By James R. Dickenson

McDONALD, Kansas — For about 72 hours, as this town of 250 souls near the Colorado and Nebraska lines celebrated its centennial, God was in his heaven, all was right with the world and we all in our own ways were young again. Nearly 3,000 people thronged the streets to fete the town's 100th birthday plus the fact that the wheat crop promises to be terrific because the area was lucky enough to escape the drought in the states north and east of here.

The celebration was a tribute to civic dedication and two years of hard work.

## MEANWHILE

A classmate of nearly 40 years ago remarked while the centennial parade was forming: "If anyone had tried to tell me that anyone could organize a parade here that had 120 entries and that so many people would come from California and Florida to watch it, I'd have told them they were crazy."

The entries — floats, bands, classic cars, purchased horses, merchants and chambers of commerce from neighboring towns, and Ronald McDonald of the hamburger chain (which donated to its namesake \$2,000 and a high-tech sound system for the outdoor patriotic cantata on Saturday night) — overran the town. It took nearly an hour and a half for the parade to make its way up one side of main street, which is three blocks long, and back down the other.

The floats most appropriate to the occasion were those built by families to celebrate their longevity here. One that particularly moved me was that of Lawrence and Ruth Klepper and their family. Lawrence is a retired rural route mail carrier who was like an uncle to me and whose father, a grandfather figure, for years was the beloved school custodian.

"Thank you, McDonald, for being Our Home Since 1926," was inscribed on the side of the float built on Lawrence's automobile. "McDonald Is Our Kind of Place." A blown-up photo of Lawrence and Ruth and their children and grandchildren — 25 in all — was on the hood.

Another float consisted of a young farmer pulling a child's red wagon on which he had fashioned a Conestoga top. His daughter, dressed in a long 18th-century dress and sunbonnet, rode in the wagon while his 10-year-old son who wore a Western hat and saddle slicker and carried an air rifle, walked alongside.

"Pulling The Fifth Generation," proclaimed the sign on the little wagon. "85 Years on the Same Farm."

In the evening, main street stayed jammed with people and cars until well past midnight and turned into a big tailgate party. Old classmates stared into each other's faces, pulled identifications out of their memories and picked up their interrupted friendships. Conversations quickly settled back into an old familiar groove, lubricated by the flow of memories and, in some cases, alcohol.

J. M. McDonald, a descendant of the

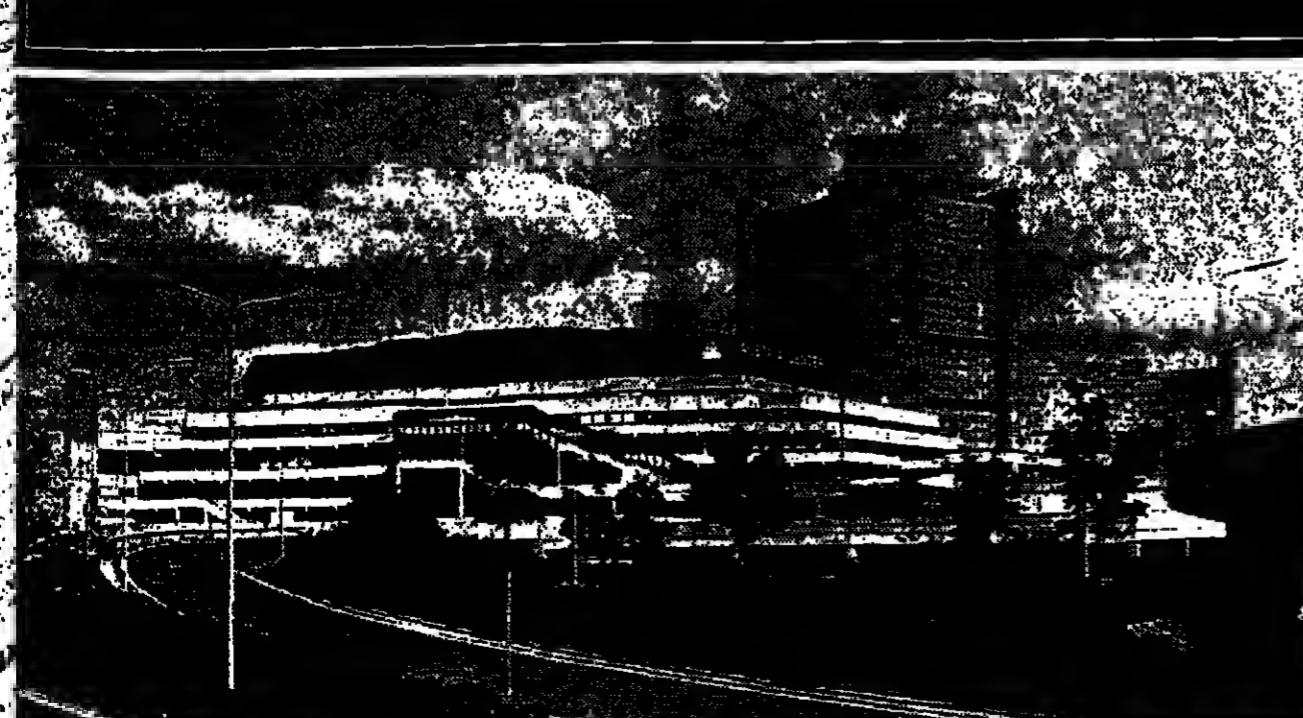
Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The new Shun Tak Centre and Macau Ferry Terminal complex, including the 870-room Hotel Victoria, is a striking example of innovative building technology.

► Its two 41-story towers are among the tallest high-rise steel structures in Hong Kong. ► And the Macau Ferry Terminal, designed to handle up to 15 million passengers a year, is the world's busiest marine transport facility. ► The careful blending of function and aesthetics by the architect Spence Rabinsan is complemented with high technology lighting from Philips. ► Cost-effective lighting that combines excellent colour rendition with high light output, yet uses 30% less energy. ► And the integration of general and accent lighting enhances the futuristic functional design of this superior



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## SCIENCE

## Water Surface as Key to Pollution

By Rochelle L. Stanfield

New York Times Service

NEW YORK — An increasing number of biologists, physicists and chemists are studying the role of pollutants in the thin surface layer that covers oceans, bays, lakes and other water bodies. Studies of the surface layer may, some experts believe, be crucial to understanding and curbing the impact of pollution on many forms of aquatic life.

Scientists have long known that microscopic plants and animals congregate in the microlayer, the top millionth of a meter in any water body. Some important species of fish and shellfish spend the early part of their lives floating in and around this surface layer, feeding on the microscopic organisms within it.

What scientists have discovered is that toxic pollutants also often accumulate in the microlayer, in concentrations many times those of the water below. Some scientists believe that these surface contaminants may be contributing to the declines in the numbers of fish and

shellfish recorded in some important coastal waters, such as Chesapeake Bay and Puget Sound. Even in waters that appear to be relatively free of pollution, these experts say, the concentration at the surface may be dangerously high.

Because of the more concentrated pollution found there, water samples drawn from the microlayer might also prove useful as sensitive indicators of pollution trends.

"There is a whole food web involved here," said John T. Hardy, a biologist at Oregon State University, Corvallis, and a pioneer in water surface research. "I think the surface layer is going to take off as an area of research once the importance of the biological communities is realized and the levels of contaminants are recognized."

The surface tension of the water and chemical properties of the pollutants themselves hold the contaminants in the surface layer. But a given pollutant is only temporarily on the surface, and some components of sewage or industrial wastes that flow into the water rise to the surface. In addition, some pollutants that had previously fallen to the seabed may rise to the surface when the seabed is disturbed by currents or the movements of animals.

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"If I were given a limited amount of money and told that was all I was going to have to look at toxics issues and there wasn't enough to do all of it, I wouldn't choose the microlayer to focus my research," said Maurice P. Lynch, a professor of marine science at the College of William and Mary in Virginia and the outgoing director of the Chesapeake Research Consortium of scientists studying environmental problems in Chesapeake Bay. "It is a very ephemeral phenomenon. You get the slightest bit of chop or wind and the microlayer is gone."

But Dr. Guciinski sharply disagreed. "In our experiments we found when the wind stops, the surface layer establishes itself very strongly," he said.

Many commercially important fish, including anchovy, sole, cod and flounder and shellfish, spend their early lives in the surface layer.

In addition, the surface layer could play a role in what Dr. Hardy calls the bathtub ring effect. Tides deposit contaminants that could work their way through the sand and into shellfish living in it.

Bacterial infections have caused an alarming decline in both Puget Sound and Chesapeake Bay shellfish.

No one has yet looked into a connection with microlayer pollution, but the scientists want to investigate possible links.

at Anne Arundel Community College in Maryland, who is studying the microlayer in the Chesapeake Bay. Microlayer studies may also improve understanding of how pollution gets into the water, especially when it comes from the air.

Scientists are only beginning to study pollutants in the microlayer, and the physical dynamics have not been established. They theorize that pollution from the air settles on the surface, and that some components of sewage or industrial wastes that flow into the water rise to the surface. In addition, some pollutants that had previously fallen to the seabed may rise to the surface when the seabed is disturbed by currents or the movements of animals.

In laboratory studies and in field studies in Puget Sound, for example, a significant proportion of fish eggs exposed to contaminated surface water did not hatch or had abnormalities.

Although research on the microlayer is attracting a growing cadre of scientists, some experts question its importance as a focus of environmental studies. These skeptics are less concerned about surface layer pollution because they say wind and waves disperse the concentrations both of pollutants and of sea life.

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Dr. Seymour M. Antelman of the University of Pittsburgh in the laboratory where he conducts drug-effect experiments with mice.

## Novel Drug-Brain Theory Studied

By Gina Kolata

New York Times Service

NEW YORK — For more than a decade, a highly regarded researcher has struggled alone to convince others that his audacious theory of how drugs act is worth testing on humans. His theory, based on extensive studies with animals, is that a even a single dose of drugs that act on the brain can have long-lasting effects that increase with the passage of time. But no one knows whether the effects occur in people.

The researcher, Dr. Seymour M. Antelman of the University of Pittsburgh, has had work published in prestigious scientific journals. Yet other researchers have held back from human tests, in part because the theory seems so bizarre.

Now, several groups are at last taking him up on his challenge to experiment with humans, and others say that, because the animal experiments are so extensive and

convincing, the theory deserves consideration.

If the theory is correct, it could lead to a radical alteration in the way psychiatric drugs are prescribed. But the theory is so far at odds with what anyone would have predicted based on current knowledge of pharmacology and physiology that it has taken researchers aback.

"It is important work, but the clinical implications have not yet been sorted out," said Dr. Robert M. Post, chief of the biological psychiatry branch of the National Institute of Mental Health.

Dr. Antelman believes that the effects of psychiatric drugs can last far longer than anyone expected, and that a single dose of a drug can continue exerting its effects for weeks or months, long after all traces of it are gone from the body. He also finds that, if a second dose of the drug is given weeks or even months after the first dose, there

will be an even greater response than to the initial dose.

He has demonstrated such effects in animals using as many as 20 different drugs, including anti-depressants, stimulants and anxiety-relieving drugs. He also found the effect without drugs when testing other things that affect the brain, such as stress, triggered by pinching rats' tails, and electroshock.

"We give the drug one time and the drug leaves the system," Dr. Antelman said. "But what happens is that the drug effect grows. We have done experiments and suggested the time interval between the first and the second administration of the drug. And we find that the more time that elapses, the bigger the effect. That would rule out the possibility that small traces of drug left in the body account for the effect."

If the findings are similar in humans, the optimum time between doses of some drugs might be a matter of weeks, Dr. Antelman said. He speculated that the common clinical observation that some drugs, such as anti-depressants, take weeks to have a therapeutic effect may not mean that the drugs need be given continuously for weeks. Why these drugs take so long to begin exerting their effects is not understood, but Dr. Antelman suggests that a "priming" process, rather than an accumulating effect of repeated doses, may be involved.

Dr. Antelman theorizes that the body has a "memory" for certain drugs and stressful events, analogous to the memory the immune system has for foreign substances. If the immune system confronts a virus that it has already seen, for example, it springs into action more quickly than the first time it saw the virus, making antibodies and mobilizing cells to destroy the virus.

His colleagues do not question his results. Instead, they ask whether

er a theory so at odds with the field of pharmacology is applicable to humans.

"It's a sort of goofy idea," said Dr. John M. Davis, director of a search at the Illinois State Psychiatric Institute. "It's hard to believe but the animal experiments are both solid and interesting." For that reason, Dr. Davis wants to test the theory in humans, using anti-depressant drugs.

Another researcher about to test the theory is Dr. Lee Hollister of the University of Texas Southwestern Medical Center in Dallas. "It's controversial, and I frankly think it's a long shot," Dr. Hollister said, adding that "you can't always extrapolate" from animal studies to humans. But, he said, "If you with sure shots, you'll never prove anything."

Dr. Hollister plans to give small doses of marijuana to volunteers and wait several weeks. They will give them either an inert substance or another dose of marijuana. If the theory is correct, if volunteers will have a more pronounced reaction to the second dose of marijuana.

Others testing the theory are Dr. Bruce G. Pollock and Dr. James Perel of the Western Psychiatric Institute in Pittsburgh. They plan to give a single dose of a powerful anti-depressant and waited 5 to 10 days. The drug was still effective, they found, so they are now studying their data to find whether the drug might have been present, sequestered in the patients' brains, at the time of the test.

Dr. Antelman said he understood why others have been slow to test his theory with humans.

"When I first discovered it, I thought it was very weird," he said. "But now that it has convinced myself, 'naturally, I'm very interested in having as many people as possible test it,'" he said.

## IN BRIEF

## Laser Technique for Swollen Veins

BOSTON (UPI) — Swollen blood vessels that mar the faces and legs of many people can be removed safely, painlessly and without scarring by a new laser technique, dermatologists at the Harvard Medical School and Massachusetts General Hospital have reported.

Known as telangiectasia, the veins are especially common among fair-skinned women over age 30. Although painless and harmless, many people dislike the veins, which appear as red and purple squiggly lines, starburst formations in the skin and as blue spots on the lips. The veins have been removed with an electric needle technique or with an angiokeratoma. But those treatments can cause scarring and require anesthesia.

Doctors explained that the new technique involves the use of a type of laser — known as a tunable dye laser — which produces short pulses of intense light instead of the steady stream of energy produced by an argon laser.

## Care at Issue in Breast Cancer Study

CHICAGO (UPI) — A report showing that many U.S. women do not get follow-up therapy after breast cancer surgery adds to the growing evidence that many cancer patients are not being given state-of-the-art treatments years after they have been proven effective.

In a recent report in the Journal of the American Medical Association, researchers said physicians seem to be increasing the use of breast-sparing lumpectomies, replacing mastectomies as the treatment of choice in breast cancer. The researchers said 25 percent of women with localized breast cancer now receive the breast-sparing procedure, compared with 6 percent as recently as 1980. But 40 percent of these women — and 3 percent of those over age 65 — have no record of receiving the recommended radiation treatments that should follow the surgery. The findings are based on a review of nearly 6,000 localized breast cancers reported in New Mexico between 1969 and 1985.

## Effect of Alcohol on Brain Explained

WASHINGTON (WP) — Researchers say they have discovered, in part, how alcohol makes people drunk. The staggering and other losses of muscle control, they found, are caused by a reduction in blood flow to the cerebellum, the part of the brain that controls coordination.

The scientists also found that the mood shifts typical of drunkards were linked to imbalances in the rate of metabolic activity in various parts of the brain's cortex, the seat of conscious thinking.

The findings, reported at last week's meeting of the Society of Nuclear Medicine in San Francisco, were made in separate studies by Niall Volkow at the Brookhaven National Laboratory in New York and James Metz of the University of Chicago.

## Mr. Innocuous Beats Mr. Flippant

NEW YORK (NYT) — The flippant lines that some men use to impress women generally have the opposite effect, according to research by Dr. Michael Cunningham, a psychologist at the University of Louisville in Kentucky.

In two of the studies, Cunningham recruited three male and two female undergraduates to go to bars and randomly approach unacquainted people of the opposite sex and similar age. The undergraduates were told what opening line to use. One variety was "cute-flippant," such as "I can outdrink you." Another category was direct, "I'm a little embarrassed, but I'd really like to meet you." The third type of opening line was innocuous, such as "What do you think of the band?" or just "Hi."

The men found that the type of line they used greatly affected the chances of starting a conversation. Only about 20 percent of those who used cute-flippant approaches got a positive response, while the innocuous and direct approaches had 50 to 80 percent success rates. But the women got a positive response at least 80 percent of the time no matter what line they used, and when the women coupled a "Hi" with a light touch on the man's arm, every man they approached reacted positively.

## INTERNATIONAL POSITIONS

## Consolidation des Comptes

Le récent développement de nos investissements sur le marché international, notamment américain (GROLIER, DIAMANDIS), portera à C.A. du Groupe en 1988 à 22 milliards de FF dont 50 % à l'étranger, consolidant ainsi plus de 100 entités et plusieurs groupes de sociétés dont 3 cotées.

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## International Center for Agricultural Research in the Dry Areas (ICARDA)

## POSITION ANNOUNCEMENT

## HEAD, GENETIC RESOURCES UNIT

ICARDA invites applications for the position of Head, Genetic Resources Unit, at its main station in Aleppo, Syria.

ICARDA is one of the 13 international centers, supported by the Consultative Group on International Agricultural Research (CGIAR), a consortium of donor governments, international agencies and philanthropic foundations. It is concerned with agriculture in those regions that have a hot, dry summer and where cropping must begin in winter, the only season when rain falls. ICARDA has research programs dealing with cereals, food legumes, pasture, forage and livestock, as well as the management of farm resources. The Genetic Resources Unit maintains germplasm for ICARDA's crops as well as progenitors and wild relatives. There are some 85,000 accessions and extensive cold-storage, together with laboratory and field facilities for multiplication, characterization, and evaluation.

## FUNCTIONS

The Head, Genetic Resources Unit will report to the Deputy Director General Research, and will be responsible for planning and supervising all operations of the Unit, which includes a seed health laboratory. Specifically, the duties include:

- enhancing ICARDA's collections through acquisition and collection of cultivated and wild germplasm;
- characterizing, evaluating and distributing germplasm in collaboration with scientists at ICARDA and in national programs;
- documenting passport data of collections and operating a data base management system;
- preserving the collections in controlled environments;
- developing and maintaining effective working relationships with other institutions that maintain germplasm collections, and in particular, with the International Board for Plant Genetic Resources (IPGRI);
- organizing training courses for national and regional genebank staff;
- improving techniques for germplasm maintenance.

## QUALIFICATIONS

A PhD in genetics, ecogeography, plant taxonomy, agronomy or another related subject. Experience in genetic resources work and in interdisciplinary collaborative research with interest in plant breeding/improvement. An excellent command of English is required; knowledge of Arabic and French would be added qualification.

## CONDITIONS OF APPOINTMENT

Salary, other benefits, and general conditions of service are internationally competitive. Applicants with suitable qualifications are requested to send their curricula vitae, date of availability, and names and addresses of three professional referees before August 1, 1988 to:

Personnel Officer, ICARDA, P.O. Box 5466, Aleppo, Syria.

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## FUNCTIONS

The Director will be responsible to the Director General for those programs and projects that the Center undertakes in collaboration with other research institutions, and for cooperation with national governments and their agencies. Specifically, the Director will:

- assist in developing policy on matters related to international cooperation;
- develop and administer cooperative projects in line with ICARDA policy, including contacts and promotional activities with donor and recipient governments and organizations;
- oversee and monitor the execution of regional and sub-regional projects undertaken by ICARDA including their administrative components, technical standards and training activities;
- undertake other relevant responsibilities assigned by the Director General.

In practice, these responsibilities will require the Director to supervise ICARDA's off-campus scientists and other personnel, as well as certain designated groups within the Center, such as those concerned with the coordination of training.</p











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Net Revenues	61,1	69,1	+13
Operating Income	30,3	33,0	+9
Net Income	14,3	16,0	+12
Dividends	5,4	6,0	+11
Total Assets	350,0	478,0	+37
Capital and Reserves	68,7	78,5	+14
Staff	227	249	+10

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**BUSINESS ROUNDUP**

**CRA and North Broken Hill to Merge Zinc Units**

*Reuters*

MELBOURNE — CRA Ltd. and North Broken Hill Holdings Ltd. said Wednesday that they will merge their lead and zinc operations into a joint venture, creating one of the industry's largest companies with annual sales of more than 1.5 billion Australian dollars (\$1.23 billion).

Don Carruthers, a CRA executive who is to be chairman of the yet-to-be-named company, said it would be the largest single producer of zinc concentrates and metal.

The two mining companies will hold equal stakes in the new venture, combining their mining, smelting and international marketing operations from July 1, to form what they said would be one of the world's best-balanced lead and zinc concerns, employing 8,000 people.

"The merged company will be more capable of meeting competition in world markets and will be

able to increase Australia's share of export markets in a way in which the individual companies could not," a joint statement said.

The joint venture will annually produce 380,000 metric tons of zinc concentrates, 250,000 tons of lead concentrates and 338 tons of silver in concentrates and in lead bullion.

In final metal form zinc output would be 530,000 metric tons, lead 500,000 tons and silver 236 tons, said CRA's chief executive, John Ralph, and North Broken Hill's managing director, Peter Wade.

The mining, smelting and production capacity of the new joint venture compared well with the combined output of MIM Holdings Ltd. of Australia, Cominco Ltd. and Teck Corp. of Canada and Metallgesellschaft AG of West Germany.

Cominco produces about 400,000 tons of zinc metal a year and MIM Holdings about 200,000.

**Charter Profit  
Increased 31%**

*Agence France-Presse*

LONDON — Charter Consolidated PLC, the British mining and industrial holding company, said Wednesday that pretax profit for the fiscal year ending in March climbed 31 percent to £55.37 million (\$98.86 million) from £42.16 million in the previous year.

Profit per share rose to 35.8 pence from 29.6 pence. The final dividend was set at 10.25 pence, bringing the total dividend for the year to 14.5 pence up from 13 pence in 1986-87.

The company's stock rose 2 pence to 350 pence in trading on the London Stock Exchange on Wednesday. The South African mining groups Anglo-American and De Beers own significant stakes in Charter.

*Reuters*  
MELBOURNE — Australia's largest company, Broken Hill Pty., is expected to show only slight improvement in its full-year profit, to be announced Friday, analysts said.

A strong Australian dollar, lingering problems in the steel division, and the costs of buying out most of the stake in the natural resources and manufacturing company amassed by Robert Holmes à Court will combine to curb BHP's net profit, they said.

Analysis' estimates range from \$30 million to \$15 million Australian dollars (\$700.57 million to \$754.14 million) for the year ended May 31, at best about 12 percent above the previous year's \$20.27 million Australian dollars. Because of low oil prices, that result was sharply lower than the \$98.8 million Australian dollars earned in 1986-87.

But Broken Hill sources and some analysts said they expected the company to spring some surprises on investors to reinforce the strong support it has had since it fended off Mr. Holmes à Court's fourth takeover effort early this year.

"I am quite sure the figure is going to be better than most people expect," said John McLeod of the J.B. Were & Son.

*BHP sources said surprises could come from several areas. Through complicated accounting, some BHP units could contribute early benefits from a reduction in Australian corporate tax to 39 percent from 49 percent, and from up to 20 million Australian dollars in deferred tax.*

*ICI Australia Ltd. received a 10.52 million Australian dollar windfall from similar tax benefits earlier this month.*

*Other benefits would flow from a number of asset sales conducted to help fund the 2.1 billion Australian dollar cost of buying out most of Bell Resources Ltd.'s holdings in BHP, which were built up during four abortive takeover attempts by Mr. Holmes à Court.*

*Profits of about 16 million Australian dollars from asset sales totaling 133 million Australian dollars will be contained in BHP's report.*

*Mr. McLeod was among the most optimistic analysts, putting the full-year result at 915 million Australian dollars or more, depending on tax treatment.*

*Richard Kornman of BZW Meares Ltd., a Sydney brokerage house, was the least optimistic, predicting a figure of \$80 million Australian dollars. "The exchange rate will be the major factor in my reckoning, but it will depend how they have hedged," he said.*

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**U.S. Bank Wins Case Against Saudi Debtor**

*Reuters*

MANAMA, Bahrain — A U.S. bank has won an 18-month court battle against a Saudi company, raising bankers' hopes of a tougher line against corporate debtors in Saudi Arabia. Gulf-based bankers said Wednesday.

The court case, filed in Jeddah by Chemical Bank against al-Sayed Abdullah Mohammed Baroom, a diversified trading company, was decided in the bank's favor last week. But there is a legal hurdle that Chemical must overcome before the ruling can be enforced.

Bankers said Chemical Bank stands to recover about \$2.5 million to outstanding loans, part of the company's \$80 million debt to 14 creditor banks.

Baroom approached banks earlier this year to arrange a debt settle-

ment after two years of silence in which its arrears grew.

Bankers said the company offered to repurchase debt at 25 cents on the dollar or to extend payments for 10 years with a terest and a two-year grace pe

At the time, bankers said it appeared the Saudi Arabian Monetary Agency, the de facto bank, was leaning on the com as part of a drive to clear up debt problems in the private se

Bankers said the ruling in Chemical Bank could encourage other banks to take tougher in a series of negotiations under over the company's debt.

"Since the court decision, considering withdrawing an we made the company," said banker.

**SAATCHI:  
Takeover Mode**

(Continued from first page) underlined a need for world br while the European Commun plan to forge a single market 1992 provided push.

However, many corporat may not want to use just one for different functions. Robert Worcester of the inde dent forecaster, Marketing Opinion Research Internati Ltd. "Many marketing dire are skeptical about one-stop s ping," he said. "They don't wa put all their eggs in one bask

He also warned that expan could cause more conflicts of interest like that seen recently with Nabisco Inc., the food and to company that is one of Saa big U.S. clients.

Saatchi, which handled Ni co's cookie campaign, lost the million account after the compo objected to a Saatchi anti-smo ad for Northwest Airlines.

While Saatchi may draw from a recent strengthening of dollar against the pound, Ms. tree said it still burns from its effor to break into financial vices. "That was damaging to chi's image," she said.

**French Ad Firm  
RSCG, Joins Wi  
Tatham-Laird**

*New York Times Service*

NEW YORK — Tatham-L & Kudner, a Chicago agency, agreed to join with France's largest agency, RSCG Corp., to have formed an advertising company with \$1.3 billion in assets and offices in the U.S. States and 10 European count

Thomas W. Schaefer, senior partner at TL&K, said Tuesday that Chicago partnership would be its name. Charlotte Beers, a woman, will become a partner in the French company with Bérou, Jacques Seguela, Alain Zuc and Jean-Michel Goudard.

William P. Youngclaus, Ralph W. Rydholm, mana partners at TL&K, are to get partnership positions with RSCG. The French are to become "equal" owners in Chicago.

Tatham-Laird billed \$242 million last year. Its clients inc. Procter & Gamble, Ralston Purina, M&M Mars and Coors.

RSCG billed \$1 billion last year. Mr. Seguela, its creative director, was instrumental in President François Mitterrand's camp for re-election.

**Pepsi to Buy  
Bottling Unit  
Of Grand Met**

*Reuters*

PURCHASE, New York — PepsiCo Inc. said on Wednesday that it has agreed to buy the soft drink bottling operations of a subsidiary of Grand Metropolitan PLC for \$705 million.

The subsidiary, Grand Metropolitan Inc., is the third largest independent U.S. bottler of Pepsi Cola.

The unit accounts for about 3.6 percent of PepsiCo's U.S. soft drink volume, the company said.

Grand Metropolitan's U.S. soft drink business includes bottling operations on both coasts, PepsiCo added.

MY: Quick

**ROBECO GENEVA ACCOUNT**

The world's favourite airline

100% of the capital is held by Robeco Group

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Zone Units

## CURRENCY MARKETS

## MARKETS: Dollar Surges, Boosting Share Prices in U.S. and Europe

(Continued from page 1)

Bank of Japan sources in Tokyo, though, fell on it-taking after recent advances. At the Toronto summit, leaders of the United States, Japan, West Germany, France, Italy, Britain and Canada said they were still on containing inflation.

The Americans seem to accept a weaker dollar for the time being as it is going to have some impact on inflation," said Jim Zimmerman, chief dealer at Lehman Brothers. "That encouraged the market to try to get the dollar a little bit higher," said.

He dollar also rose in New York, 4755 Swiss francs, from 4,590 Tuesday, and to 6,0035 French francs after 5,9230.

The British pound slumped near 76 cents to \$1.7655 from

## London Dollar Rates

Cities	Wkd.	Mon.
Deutsche Mark	1,0745	1,0745
French franc	1,2085	1,2085
Swiss franc	1,0818	1,0818
U.S. dollar	1,0725	1,0725
Yen	5,9235	5,9235
Source: Reuters		

The Bundesbank, West Germany's central bank, sold dollars in Europe to slow the U.S. currency's rise against the mark. It intervened modestly when the dollar was trading at around 1,7625 DM, dealers in Frankfurt said. The central bank fears that a weakening mark could boost domestic inflation by raising the price of imports.

The dollar's recent rally has made some market participants nervous about the prospect of further central bank intervention to cap the advance. But several traders expressed confidence that the authorities will not step in aggressively.

Lexington, Massachusetts. "I think it suggests that the economy is still plugging along."

The White House said it was unconcerned about the drop. "New orders are volatile and May's decline should not be cause for concern," a spokesman said. "Shipments continue to show strength and the backlog of unfilled orders remains high."

Economists doubted whether new orders actually fell. The department blamed two-thirds of the decline on a sharp 16.6 percent drop in defense orders, which tend

"We were testing how far the central bank would let the dollar rise," one dealer said. "The market felt it may be still all right."

In London, the dollar closed sharply higher, supported by the market view that the G-7 was not averse to a stronger U.S. currency. Renewed buying interest by investors also bolstered the dollar, dealers said.

The dollar rose to an eight-month high against the mark, ending at 1,7765 from 1,7580 on Tuesday.

It also rose to 128.50 yen, from 126.45, to 1,4725 Swiss francs, after 1,4630, and to 5,9825 French francs, from 5,9235.

The British pound dropped to 71.7695 from \$1.7855, despite a half-point rise in British banks' base interest rates, which had largely been expected.

The pound rose against the mark after the rise to 9 percent base rates, causing the Bank of England to sell sterling at about 3,1420 DM, to 31.7695, despite a Bourse employees' strike.

The rally in U.S. bond prices began overseas, largely in response to heavy Japanese buying.

In New York, the benchmark 30-year U.S. Treasury bond closed at 102 1/32, up about 1/32 points from Tuesday's finish.

While unfilled orders rose 0.2 percent after a 1.3 percent April rise.

Besides the transportation equipment sector, which had a 9 percent drop because of the drop in aircraft, the report showed the manufacturing sector to be healthy, economists said.

The decline doesn't really show a significant softening in the industrial area," said Jerry Jasinski, chief economist of the National Association of Manufacturers. "It may dampen some of the exaggerated fears on Wall Street of an overheated economy, and in that sense it may do some good."

## Rich Nations Gave Less Last Year, OECD Says

Compiled by Our Staff From Dispatches

PARIS—Official development assistance to the world's poorer nations from industrialized donor countries declined 2 percent last year, the Organization for Economic Cooperation and Development said Wednesday.

The United States remained the biggest donor, despite a 10.9 percent drop in its official aid, while Japan moved up closely behind it with a 1.3 percent increase in aid, the Paris-based OECD reported.

The overall decline reversed a six-year trend in which development assistance increased at an average annual rate of 3.5 percent.

Preliminary data showed that government-to-government aid disbursements by 18 donor countries in the OECD's Development Assistance Committee totaled \$41.2 billion in 1987, at current prices and exchange rates, up from \$36.7 billion in 1986.

But adjusted for inflation and fluctuations in exchange rates, the 1987 total was \$35.9 billion, a report of the committee said.

Official development assistance is the main source of external financing for the world's poorest countries, most of which are in sub-Saharan Africa.

The report showed that only two of the seven participants in the just-ended Toronto summit of industrial powers, Japan and France, recorded significant increases in their official aid last year. Major declines were noted in assistance from the United States, Italy, West Germany and Britain. Canada, the meeting's host, increased its aid marginally in real terms.

The report is timely. In Toronto, the industrial powers expressed the desire to reduce Third World debt by one-third amid growing concern over the solvency of some debtor nations.

The current average percentage of gross national product devoted to aid by Development Assistance Committee members remains well below the target level of 0.7 percent recommended in a resolution adopted by the UN General Assembly.

Only four committee members have attained this objective, notably Norway, which allocates 1.1 percent of its GNP to official aid. Also in this group are Denmark, the Netherlands and Sweden.

Adjusted for inflation and the dollar's decline, the United States disbursed \$8.52 billion in official aid last year, down from \$9.56 billion in 1986. Its GNP ratio slipped to 0.2 percent from 0.23 percent and was the lowest among assistance committee members, with the exception of Austria.

Japan's official aid rose to an adjusted total of \$6.4 billion from \$5.63 billion, while its ratio of aid to GNP was 0.31 percent.

France pulled ahead of West Germany with an official aid total of \$3.8 billion, up from \$3.5 billion, and it had the highest GNP ratio among the major countries at 0.51 percent.

West Germany's development assistance was \$3.6 billion, down 6.3 percent, or 0.39 percent of GNP, while Italy's \$2 billion was down 17 percent down for 0.32 percent. (AP, AP)

Is Expected to Be

## CONOMY: Quirk Blamed as U.S. Orders for Durable Goods Post Drop

(mined from first finance page)

ed a 1.8 percent rise in April,

the first since January and the

first since a 2.3 percent drop last

just.

Despite the surprising setback, orders for durable goods were still up about 1 percent above their level a year ago, while the backlog of unfilled orders, which rose 0.1 percent in May, was 10.1 percent above it in May 1987.

There seems to be enough to keep the economy going even if there is some slippage in new orders," said an economist, Cynthia Taft, of Data Resources Inc. in

Lexington, Massachusetts. "I think it suggests that the economy is still plugging along."

The White House said it was unconcerned about the drop.

"New orders are volatile and May's decline should not be cause for concern," a spokesman said. "Shipments continue to show strength and the backlog of unfilled orders remains high."

Economists doubted whether new orders actually fell. The department blamed two-thirds of the decline on a sharp 16.6 percent drop in defense orders, which tend

to be volatile from month to month, to

while unfilled orders rose 0.2 percent after a 1.3 percent April rise.

Besides the transportation equipment sector, which had a 9 percent drop because of the drop in aircraft, the report showed the manufacturing sector to be healthy, economists said.

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Wednesday might best be described as cooperation, rather than coordination," with West Germany's central bank, said Bill Martin, an economist with Phillips & Drew, the London stock brokerage. "Cooperation in the sense that it was in the Bank of England and the Bundesbank's respective self-interest to tighten up policy."

"We think the Bundesbank could go a step further next week and lift its key discount rate a half-point to 3 percent," Mr. Martin said, referring to the benchmark rate at which the central bank provides funds to financial institutions against collateral. He added that

The Bundesbank was never comfortable with the discount at 2.5 percent, especially with West Germany's three-month money market rates between 3.75-4.0 percent as they are now."

"The British rate increase

Gavin Davies, senior economist with Goldman Sachs International in London, agreed that the British rate rise did not represent strict policy coordination. "What these central banks have decided to do is proceed with and when they see fit," he said. In Britain, "the Bank of England have clearly decided to tighten the monetary mix in response to purely domestic conditions," he added.

Mr. Martin of Phillips & Drew said that the Bank of England needs to push base rates up another full point to 10 percent to pre-empt inflation. "The British economy is not going to slow down its own accord. We're in the grips of the biggest investment boom since 1964."

Brendan Brown, an economist at County NatWest Securities, agreed that British base rates are not sufficiently high.

He noted that rates had been at 9 percent when the government allowed the pound to rise above 3 DM in early March.

The sharp rise in the British currency forced the authorities to cut interest rates to dampen speculative buying of the pound.

## Wednesday's OTC Prices

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Via The Associated Press

With Stock

Div. Yld.

Sales in 12 Month

High Low Stock Div. Yld.

Mon. High Low 4 P.M. Close

Net

With Stock

Div. Yld.

Sales in 12 Month

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